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NorSpaR Team

Abstract:

The NorSpaR project aims to analyse the main public policy initiatives by which Norway and Spain cope with the new social and economic challenges derived from the so-called New Social Risks (NSR). Although both countries present significant differences in their institutional settings (such as Spanish EU membership), or its belonging to diverse welfare regimes types (Norway is generally included in the Nordic regime, while Spain is part of the Mediterranean one), both countries share a common interest in addressing the aforementioned challenges while maintaining social cohesion. In the last decade, governments in both countries have tried to respond to those challenges by reforming their labour markets, adapting their unemployment schemes, as well as their gender, family and long-term care policies. The analysis covered in this project includes three areas of public policy addressing NSR. First, dependency is one of the most daunting challenges for post-industrial societies experiencing population ageing and with an increasing number of frail people in need of care. This situation is forcing governments to rethink their long-term care policies. Second, family and gender public programs need to respond to the growing difficulties of families in reconciling professional and family life. Third, in the transition to a post-industrial order, and in a context of mass unemployment, social protection systems have a renewed prominence. Along with the so-called passive policies offering financial support to the unemployed, active labour market policies are geared to put people back into work. In our analysis we try to find answers to the following questions: What are the challenges that each of these policies have been trying to address in recent years? How have these policies evolved? What kinds of reforms have been implemented, and which ones have been neglected? Have the policy goals and targets of welfare programs been modified in any significant way? Have the policy tools (services, transfers, funding or models of provision) changed? To what extent have these policies been successful in coping with social and economic problems? To what extent a social demand in favour of these changes exist? What are the main political and social actors intervening as stakeholders in these policies? Finally, what are the major similarities and differences existing between the two countries? To what extent are there policy proposals that might easily travel between them? Could they foster mutually enriching exchanges of information?

Keywords:

Welfare State; Public Sector Reform; Public Policies; Labour market; Long Term Care; Family Policies; Europe

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New Social Risks and Welfare State Reforms in Norway and Spain

NorSpaR Team

This paper is part of a Special GIGAPP Working Paper series aimed at disseminating the results of the NorSpaR Project (Coping with New Social Risk in Norway and Spain: Long-term policies, gender and family policies, and labour market and unemployment protection). This project has been financed by the EEA Grants through the Norwegian Embassy in Spain, and conducted by a group of Norwegian and Spanish researchers, including: Erling Barth, Inés Calzada, Svein Olav Daatland, Angie Gago, Arnlaug Leira, Pau Mari-Klose, Francisco Javier Moreno Fuentes, and Eloisa del Pino.

Welfare State Challenges: New Social Risks, sustainability and legitimacy

The **NorSpaR** project aims to analyse the main public policy initiatives by which Norway and Spain cope with the new social and economic challenges derived from the so-called New Social Risks (NSR). Although both countries present significant differences in their institutional settings (such as Spanish EU membership), or its belonging to diverse welfare regimes types (Norway is generally included in the Nordic regime, while Spain is part of the Mediterranean one), both countries share a common interest in addressing the aforementioned challenges while maintaining social cohesion. In the last decade, governments in both countries have tried to respond to those challenges by reforming their labour markets, adapting their unemployment schemes, as well as their gender, family and long-term care policies.

From a methodological point of view, the analysis of two very different countries and welfare regimes fulfils two methodological goals. First, it enables us to assess how broad ranged socio-demographic and economic pressures linked to the NSR challenge different welfare regimes. Second, it helps us analyse the effects of the crisis on the Welfare State, and its prospects in Europe more generally, highlighting commonalities in largely dissimilar cases.

The analysis covered in this project includes three areas of public policy addressing NSR. First, dependency is one of the most daunting challenges for post-industrial societies experiencing population ageing and with an increasing number of frail people in need of care. This situation is forcing governments to rethink their long-term care policies. Second, family and gender public programs need to respond to the growing difficulties of families in reconciling professional and family life. Third, in the transition to a post-industrial order, and in a context of mass unemployment, social protection systems have a renewed prominence. Along with the so-called passive policies offering financial support to the unemployed, active labour market policies are geared to put people back into work.

In our analysis we try to find answers to the following questions: What are the challenges that each of these policies have been trying to address in recent years? How have these policies evolved? What kinds of reforms have been implemented, and which ones have been neglected? Have the policy goals and targets of welfare programs been modified in any significant way? Have the policy tools (services, transfers, funding or models of provision) changed? To what extent have these policies been successful in coping with social and economic problems? To what extent a social demand in favour of these changes exist? What are the main political and social actors intervening as stakeholders in these policies? Finally, what are the major similarities and differences existing between the two countries? To what extent are there policy proposals that might easily travel between them? Could they foster mutually enriching exchanges of information?

1. The economic crisis and the consolidation of New Social Risks

One of the main trends seen over the last decades, both in Spain and Norway, is the rise of NSR, conceptualized as risks that people currently face in the course of their lives as a result of *demographic changes*, the *transformation of labour markets*, and *social contexts* associated with the transition to a post-industrial order. NSR are confronting Welfare States with new challenges rooted in three basic developments: population ageing, transformation of labour markets, and changes in social values.

The first challenge derives from the ageing of the populations as a result of rising life expectancy and declining birth rates. The proportion of people aged 65 and over is expected to increase all over Europe, but particularly in Southern Europe where fertility rates are also among the lowest in the world. The increase in the absolute and relative numbers of elderly people implies both a burgeoning demands for care, and significant financial pressures. Ageing is likely to strain employment creation and wage compensation as growing payroll taxes are necessary to meet the welfare expectations of the elderly. However, financial constraints may also force governments to curtail pension entitlements and foster the expansion of private pension schemes as a supplement to state pensions, potentially leaving some segments of the population insufficiently protected during their retirement.

Beyond the financial pressures it introduces, an ageing population also increases care demands traditionally assumed by women *gratis et amore*. This type of arrangement becomes less viable in post-industrial systems. The rise in female employment has increased the number of dual earner households, where women may no longer meet the caring needs of frail family members, while the status of the male breadwinner is challenged by the existence of a second source of income. Welfare equilibriums operating under the presumption that care and domestic work will be performed by full-time housewives on an unpaid basis cannot longer be sustained. In this context we can observe new welfare needs associated with a growing number of frail people unable to find appropriate informal support, as well as increasing difficulties by families to reconciling work and family life when called on to care for a frail elderly relative.

A second set of pressures derives from the transformation of labour markets. On the one hand, new technological advances have transferred many low-skilled manufacturing jobs to countries where pay levels are lower, increasing the risks of unemployment of large segments of the working class in the Western world. Having skills that became obsolete, or being unable to upgrade them to keep the pace of technical developments, constitute new sources of vulnerability for workers that are not generally prepared for the eventuality of unemployment at older age.

On the other hand, the transition of occupational structures in the post-industrial order has opened new employment opportunities for “outsiders”, but often at a heavy cost in terms of the quality of those newly created jobs. Low wages and poor-quality jobs have had a particularly hard impact on the lives of some socio-economic groups, such as young people and immigrants. In some countries, young people have faced major difficulties to reach financial independence, to leave the parental household, to form a couple, and/or to become parents (driving fertility rates down). Immigrants, who massively poured into Western countries in previous years attracted by employment opportunities, were pushed towards the informal economy under conditions of high insecurity and precariousness.

A rapidly growing number of people struggle daily against the consequences of broad macroeconomic transformations. Many problems appear associated to these developments: workers stuck in underemployment and low-wage jobs (or in jobs for which they are overqualified), exposed to high levels of employment-related stress, work accidents or health deterioration, facing poverty and deprivation although holding a job, lacking a work record that gives them access to adequate social security, etc. Although these problems have worsened as a result of the crisis, the increase in poverty and inequality had been already detected in industrialized countries over the two previous decades, including in Sweden, Italy, Germany or USA (Fundación Alternativas, 2013). In this context, economic growth appears insufficient to prevent the increase in inequalities.

The third issue that deserves attention is the development in social values (individualisation, secularization, or the democratization of social relations). The growing financial autonomy of women moving into the labour market has given them new bargaining capacities which are prompting rapid and positive changes in gender relations within families, but may also strain couple’ relationships, increasing the risk of breakup. The growing “precarisation” of marriage, coupled with the inclination of many young people to rely on less stable forms of partnership, is bringing to the fore new problems and needs associated to single parenthood. A growing number of children grow in single parent households, facing higher risks of poverty and problems derived from the difficulties of parents to balance work and care responsibilities.

A second example of the effect of changing social contexts is the effect of migration experiences on the life-chances of the 1½ and second generations, often affected by periods of long separations of their parents, attending low quality schools, experiencing conflicts with native school-peers, living within families with long and asocial working hours and little time and energies to devote to their children, suffering residential segregation, etc. Such problems may foster alienation and social disaffection (when not overt deviation), and may result in scarring effects for their opportunities in life.

NSR play an increasingly relevant role in framing new debates about welfare provision in an era of increasing global pressures and budgetary austerity. Failure to address them in an effective manner may have substantial implications for the profile of inequality and poverty in a country. They tend to affect people at younger stages of their lives, since they are linked to problems entering the labour market and establishing a position within it, as well as with care responsibilities primarily at the stage of family building (Taylor-Gooby, 2004).

The newly acquired prominence of NSR in the political agenda derives only partly from their incidence, their social relevance, or the electoral weight of those who bear these risks (Bonoli, 2005). Policies targeting NSR often aim at changing welfare “as we know it” by prompting spending commitments that “pay off”, and eventually re-scaling traditional welfare programmes designed for “old risks”. As paradoxical as it may sound, addressing NSR in ageing societies with declining birth rates and costly pension systems is also perceived as a way to “save” social protection by increasing the chances of integration in the labour market of those left behind, and those whose caring responsibilities may act as a barrier that prevents them from participating in the labour market. Thus, NSR policies are often presented as part of a broad strategy to mobilise a greater proportion of the population, and to enhance economic competitiveness in a globalised market. As such, the response to NSR is framed within a “social investment” logic, oriented toward the future of the whole society.

Transnational institutions (the European Union, and the OECD) are often at the forefront of promoting policy responses to NSRs through the idea that a modernised social policy is key in ensuring individual well-being (better jobs and quality of life) and collective success. These discourses have trickled down from those international institutions into the national political debates, shaping the reflection on the shortcomings of the national Welfare States, and legitimising new social spending priorities.

2. NSR and the European Social Model

The emergence of the NSR has occurred at a time during which the European Social Model (ESM) is clearly under pressure. The great recession has deepened the existent tensions between the “market-making” Europe, worried about economic competition and fiscal austerity, and the “market-correcting” Europe that advocates the strengthening of social protection. Although this tension has existed since the beginning of the EU, the crisis has led to a shift in the balance of power in detriment of those that defend the idea of a Social Europe. However, the policies that once inspired the ESM remain crucial in order to cope with the NSR.

The idea of a Social Europe has always been contested since Jacques Delors formulated it. On the one hand, the ESM has been used to describe a new range of social policies introduced at the European level with the aim of creating a common framework for all countries. On the other hand, this concept brings to attention the fact that most European countries share significant features of their labour market and Welfare State institutions. In spite of intra-European cross-national diversity (Ebbinghaus, 1999), the contours of ESM are well defined across three dimensions: a high degree of interest organizations, a regulated labour market, and collective bargaining institutions; the existence of a social protection system including public education, healthcare and pensions systems; and relatively large public social expenditure.

The tensions between the market and the social dimension had been present within the EU long before the current economic crisis. The oil crisis of the 1970s led to a more restrictive international economic environment and to the increase of unemployment, and they were followed by a process of market liberalization and deregulation during the 1980s. The path towards the European Monetary Union (EMU) in the 1990s, with its convergence criteria, already forced countries to contain (when not overtly cut) their public expenditure. In this process, all European Welfare States were bound to find a new equilibrium between competition and solidarity (Ferrera, 2007). Therefore, although it would be unreasonable to argue that changes brought about a neoliberal convergence (Ferrera, Hemerijck and Rhodes, 2000), they put Social Europe at a crossroad.

European countries were trapped in crosscutting pressures. On the one hand, a combination of changes in the international economy and the labour market composition led to the emergence of new social needs and risks neglected so far by Welfare State institutions. In a context of post-industrialism, globalisation, changes in demography and supranational integration, old Welfare states were ill-equipped to deliver the kind of social protection required in the new scenario (Ferrera, 2007). On the other hand, those same changes in the international economy and the transformations linked to European integration, jointly with endogenous factors such us population ageing, put governments under significant fiscal pressures. In other words, the same external processes that created the NSR were stripping European governments of their traditional tools to cope with emerging social needs, as they are unable to change monetary policies, or increase social expenditure due to EU budgetary constraints.

Moreover, the great recession has led to a change of paradigm. If in the past social policies remained the responsibility of national institutions, and EU social policy directives allowed for wide discretion in their implementation (Streeck, 1999), the pervasiveness of the EU in welfare issues has increased during the economic crisis. In the decades before the recession, EU recommendations were mostly focused on economic issues whereas social-protection policies remained regulated mostly at the national level (Scharpf, 2002). Since 2008 there has been an increase of EU recommendations around social, labour and welfare issues. As De la Porte and Natali argue “the Stability and Growth Pact has become more constraining and national politicians have become more responsive to these EU policy recommendations” (De La Porte and Natali, 2014). The European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF), known as the Troika, have issued different reports advocating, among other things, for labour market deregulation and Welfare State retrenchment based on the austerity paradigm.

Although Norway does not belong to the EU, it is a member of the European Economic Area (EEA), thus its economy is also significantly affected by EU policy recommendations. Norway and Spain have therefore been influenced by the present economic crisis in distinct ways. Whereas Spain has been directly bounded by EU policy recommendations, its increasing levels of public debt, and the bail out of the banks, put this country under EU conditionality. Norway, on the other hand, has only experienced indirect influences of the EU during the present economic crisis.

In spite of these processes, the EC continues advocating the relevance of the ESM. The report of the EC about Employment Policy of September 2014 argues that the economic crisis has produced “social imbalances for economic prosperity and political stability”, and proposes to “strengthen the social dimension of the EMU” (EC, 2014). Some of the policies recommended by the EC focus on the investment on active labour market policies, as well as on professional education and skills, the creation of the Youth Guarantee to tackle unemployment among younger cohorts, and a more balanced relationship between demand- and supply-side policies.

The tension between macroeconomic pressures and the urge to maintain social protection has stimulated the search of new creative policies in order to tackle the NSR. Most EU policy recommendations are inspired by two paradigms that have guided EU policy ideas in recent years: flexicurity, and social investment. The flexicurity paradigm proposes the retrenchment of protections for insiders, and the extension of outsider’s rights, with the objective of achieving a more balanced protection for these two groups of workers. With a more comprehensive perspective, the social investment approach has also recently inspired policy recommendations emphasizing prevention and training (particularly during childhood, but also through the entire life cycle), rather than the reparation of situations of need (see for example, the “Social Investment Package” lunched in 2013 by the EC).

However, as we will see in this report, these new approaches have had different distributional impacts in Norway and Spain due to their different institutional macroeconomic settings. Although similar tools may have inspired national actors when searching for solutions, institutional and economic disparities proved to be key determinants in the implementation of those approaches.

3. The multifaceted nature of Welfare sustainability and social legitimacy

The analysis about the sustainability of the Welfare State has generally been conceptualized around the financial axis, focusing in this dimension as if it was the only one to take into consideration when analyzing future possible scenarios for social protection schemes. As we will point out in this section, the “sustainability” of the Welfare State in Western European societies is, in fact, affected by a more complex combination of aspects (social, demographic, political) that will strongly condition the environment in which economic and financial considerations will be framed and interpreted.

In addition to insuring the population against the main risks associated to the different stages of the life cycle, and to provide a basic level of protection for those at risk of falling below the threshold of poverty and social exclusion, the Welfare State has played a fundamental role in promoting economic progress. By promoting full employment, regulating labour markets, favouring stability of wages and labour discipline, and adjusting economic cycles, the Welfare State operated as a key actor in guaranteeing macroeconomic stability in Western European societies.

The current crisis has put the issue of the financial sustainability of welfare policies more intensely at the forefront of the social and political debates, most notably in those countries more directly affected by the consequences of the economic and financial turmoil. But economic reductionism in the analysis of sustainability would be, at the very least, partially misleading. Other factors related to the political framing of welfare policies, the role of this area of policies in the political agenda, the demographic structure of a society, and/or the evolution of social attitudes towards welfare programs and the fiscal foundation on which they are grounded, may represent even more compelling aspects when analysing the sustainability dimension in relation to the Welfare State.

The ideological questioning of the legitimacy, nature, and scope of the State's intervention in society and the economy constitutes a central aspect in this process of redrafting of the boundaries of the Welfare State. Discussions about the extent to which social rights should be cut down in order to more efficiently compete in an increasingly global economy have been present in European politics since, at least, the mid 1970s. Many contributors to this debate have predicted (and/or recommended) the dismantling of social welfare institutions as the most optimal way to respond to the growing internationalization of the markets for goods, services and capitals (as well as migration). According to this logic, the elimination of trade barriers shall "inevitably" bring a "race to the bottom" of social protection levels globally. A careful analysis of the realities of welfare reform in Western Europe over the last couple of decades, however, shows a wide variety of responses to those economic challenges. Largely conditioned by the various institutional arrangements that govern the social, political and economic environments of these countries, welfare reforms implied cuts in certain instances, but also the expansion of social protection schemes, and/or the implementation of a wide range of reforms aimed at "fine tuning" the Welfare State without radically altering its nature or questioning its continuity.

The conceptualisation of what is "possible" in relation to social rights is clearly related to the framework defining future scenarios for the Welfare State. The ideas about solidarity and redistribution pushed forward by political forces will determine the nature and intensity of the social and political support for the Welfare State. In this respect, the strength (or lack of thereof) of the political consensus around the ESM appear as vital for maintaining the social protection schemes that have shaped Western European societies since the end of World War II.

In this context, the NSR appear strongly connected to some of the sustainability challenges that the Welfare State face, particularly to those associated with the socio-demographic transformation of Western societies. Undoubtedly, the age structure of a society (with the relative size of older cohorts, more heavily dependent on social protection schemes as it is the case in most European societies affected by a clear ageing trend) will strongly condition the future prospects of most welfare programs, not only strictly in regards to their financial dimension, but also in relation to the welfare mix that will have to be set up to reach new equilibriums of different social protection programs and rearrange the provision of services to meet new challenges. It will also affect citizens' attitudes towards these programs.

However, beyond the way in which discussions about the Welfare State take place in the political arena, citizen's attitudes towards these social protection schemes are largely grounded on shared social values that constitute the axiological foundation that glues a society. People's ideas and beliefs about social policies have demonstrated to shape the evolution of welfare policies and, specially, they condition the feasibility of reforms in existing policies (Pierson, 1996; Brooks and Manza, 2006). When elaborating policy recommendations, it is important to have in mind what kind of state intervention in welfare citizens desire, expect, and are willing to finance. In this respect, existing comparative surveys show more similarities than differences between Norwegians and Spaniards than one may initially expect.

Table 1. Attitudes to State responsibilities in Welfare. 2008.

Country	*Jobs*	*Health*	*Elderly*	*Unemployment*	*Child*	*Leave*	*Mean 6*
Norway	*6.03*	*8.96*	*8.66*	*7.34*	*7.97*	*8.19*	*7.86*
Sweden	*6.04*	*8.66*	*8.48*	*7.39*	*7.92*	*7.90*	*7.73*
Germany	*6.26*	*8.40*	*7.60*	*6.46*	*8.02*	*7.37*	*7.35*
France	*5.86*	*8.02*	*7.94*	*6.12*	*7.14*	*7.17*	*7.04*
Spain	*7.66*	*8.96*	*8.83*	*7.73*	*8.30*	*8.20*	*8.28*
Portugal	*7.29*	*8.77*	*8.88*	*7.33*	*8.25*	*8.17*	*8.12*
U.K.	*5.94*	*8.74*	*8.53*	*6.00*	*6.93*	*7.16*	*7.22*
Switzerland	*4.84*	*7.66*	*7.23*	*6.28*	*6.47*	*6.11*	*6.43*
Average	*6.32*	*8.54*	*8.28*	*6.82*	*7.66*	*7.55*	*7.53*

Source: European Social Survey 2008. Question: Should or should not be the responsibility of government to: -Provide jobs for everyone that wants to work; -Ensure adequate health care for the sick; -Ensure a reasonable standard of living for the old; -Ensure a reasonable standard of living for the unemployed; -Ensure sufficient childcare services; -Provide paid leave to people who have to care for sick family members. 0 = not government responsibility at all; 10 = entirely government responsibility.

Asked if the state should be responsible for a range of welfare areas (using a response scale that ranges from "0- No responsibility at all", to "10-Full responsibility"), a majority of citizens of both countries believe that the state should be fully responsible for the provision of health and child care services, ensuring a reasonable standard of living for the elderly and the unemployed, as well as providing paid leaves for those with caring responsibilities. Spaniards show more support than Norwegians for state intervention in employment matters, possibly due to the structurally higher level of unemployment in this country. Apart from that, the two countries look alike, and they stand out among European countries for the strong "welfarism" of their populations.

Table 2. Satisfaction with welfare programs. 2008.

Country	Education	Health services	Pensioners	Unemployed	Childcare
Norway	6.32	6.01	5.80	4.97	6.12
Sweden	5.69	6.05	4.70	4.18	6.40
Germany	4.42	4.65	5.59	3.75	4.41
France	4.98	6.00	4.35	3.77	4.87
Portugal	3.98	4.32	2.67	3.01	3.92
Spain	5.24	6.07	4.93	3.70	4.19
Switzerland	6.54	6.94	6.21	4.86	4.49
U.K.	5.70	5.95	4.29	4.63	4.42
Average	5.25	5.67	4.76	4.03	4.76

Source: European Social Survey 2008. Question: What do you think overall about…? -The state of education nowadays; the state of health services nowadays; -the standard of living of pensioners; the standard of living of unemployed?; -the provision of affordable childcare service for working parents. 0 = extremely bad; 10 = extremely good.

Using the same survey we appreciate differences in the degree of satisfaction with existing welfare schemes (Table 2). Satisfaction with the performance of welfare programs is lower in Spain, but for the national healthcare system. It seems that Spaniards are demanding a higher quality of welfare provision, even if it implies higher expending. Thus in 2006, 87 percent of Spaniards considered that the state should be spending "more" or "much more" on healthcare and education, 83 percent believed the same about old-age pensions, and 59 percent about unemployment benefits. In Norway that same year were 86, 62, 59 and 19 percent respectively. With the exception of healthcare, demands for more expenditure were higher in Spain by 20 to 40 percentage points (International Social Survey Programme, 2006).

Regarding the consequences of the WS, Spaniards are more concerned than Norwegians by the negative economic consequences of social policies. In 2008, 40 percent of Spaniards thought that "Social benefits and services place too great a strain on the economy", and 46 percent considered that "Social benefits and services cost businesses too much in taxes/charges". These percentages were 25 and 34 percent in Norway. However, Norwegians appeared in 2008 more concerned by the moral costs of the Welfare State than Spaniards: 39 percent of Norwegians, versus 33 percent of Spaniards, believed that "Social benefits and services make people less willing to care for one another", and 22 percent of Norwegians, versus 20 percent of Spaniards, considered that "Social benefits and services make people less willing to look after themselves/ their family" (European Social Survey, 2008).

Concerning the positive outcomes, in both countries a majority of citizens believe that welfare programs "prevent widespread poverty" (65 percent in Norway and 53 percent in Spain), "lead to a more equal society" (67 percent in Norway and 56 percent in Spain), and "make easier to combine work and family life" (71 percent and 58 percent). As we can see, positive perceptions are more extended in Norway (European Social Survey, 2008).

Still using data from the European Social Survey, 2008, we appreciate that one of the biggest differences between the two countries in welfare attitudes has to do with the implementation of the programs. Spaniards perceive more fraud among recipients: 48 percent of Spaniards answered that "employees often pretend they are sick to stay at home" (32 percent of Norwegians), and 30 percent believed that "most unemployed people do not really try to find a job" (19 percent of Norwegians). The recent tightening of conditions to access sick and unemployment benefits, as well as the spread of unemployment, may have changed Spaniards' perception in recent years.

Table 3. Acceptance of taxation and redistribution (mean for country; 1-5 scale)

	Tax Acceptance	Acceptance of redistribution
Norway	3,94	3,70
Spain	3,92	3,98

Source: Hjern and Schnabel (2012) based on ESS.

On the other hand, Spaniards also perceive problems in the fair allocation of welfare benefits. 64 percent of Spaniards believed in 2008 that "some people get less benefits that they are entitled to" (versus 24 percent in Norway), and 70 percent thought that "many manage to obtain benefits/services they are not entitled to" (versus 48 percent in Norway). Overall, data indicate that whilst Norwegians and Spaniards desire a Welfare State of similar characteristics (wide-ranging and universal), Spaniards are less satisfied with the quality and functioning of existing programs.

Table 4. Spaniard's attitudes toward taxation (2008-2013)

	2008	2009	2010	2011	2012	2013
Better services but more taxes (0-1)	16,0	14,5	7,1	7,1	8,4	8,2
(2-3)	26,1	21,4	19,6	16,4	18,7	18,8
(4-6)	39,8	39,3	43,7	51,4	46,4	47,6
(7-8)	8,5	14,1	14,9	13,0	12,5	13,2
Less taxes but reducing services (9-10)	3,1	5,5	4,1	5,0	5,3	4,7
NS/NC	6,5	5,2	10,6	7,1	8,6	7,8
AVERAGE	3,8	4,3	4,7	4,8	4,7	4,6

Source: Del Pino (2014) based on CIS surveys. Question: Some people think it should be improved public services and social benefits even if we must pay more taxes (these people would be at the point 0 on the scale). Others think it is more important to pay less taxes even if it means reducing public services and social benefits (these would be in point 10) and there are others that are in intermediate positions.

Finally, acceptance of taxation was very similar in the two countries before the current crisis (Table 3). However, the Spanish economy was especially affected by the crisis, and this had an impact on the attitudes of Spaniards towards taxation. Although the majority of the population supports welfare spending, and citizens seem more willing to pay taxes than not, between 2009 and 2010 citizens became increasingly reluctant to pay taxes.

4. Social-democratic and Mediterranean welfare regimes

Norway and Spain are quite dissimilar with regard to issues such as their history, size, or political institutions. The two countries belong to different "families" or "worlds" of welfare (the so-called welfare regimes). According to Esping-Andersen (1990) three welfare regimes can be distinguished: liberal (Anglo-Saxon countries), socialdemocratic (Nordic countries) and conservative (Continental Europe). Recent research has shown that it still makes sense to talk about a fourth regime as proposed by Ferrera (1996), the so-called Mediterranean type, to which Spain could be said to belong alongside Italy, Greece and Portugal (Minas, Jacobson, Antoniou and McMullan 2014).

What the countries of the ***Mediterranean regime*** have in common is a delayed development, and the coexistence of universal benefits alongside contributory and means-tested benefits (Moreno and Mari-Klose, 2013). One of the most prominent features in this regime is its familistic character, and in particular the traditional role of the "Mediterranean superwomen" (Moreno, 2004). Unlike the Nordic model, women obtained protection through the male as the main breadwinner in the Mediterranean regime. Even today, with much higher rates of female labour market participation, grandmothers or immigrants play an important role in the provision of care, while public provision remains weak. Although the level of social spending increased during the decades before the crisis, it continued to stand far below those in other European regimes. The same happens with respect to the tax burden. Criticism of the model has mainly focused on its poor performance in terms of unemployment and the high levels of inequality and poverty.

Some of the main characteristics of the ***Welfare State in Spain*** are:

- Public pensions include a contributory scheme (including pay-as-you-go earnings-related retirement, permanent disability and survivors benefits), and a non-contributory scheme, established in 1991, and financed through general tax revenues (including a means-tested flat rate benefit for elderly and disabled people who do not fulfil the eligibility conditions for a contributory public pension).

- Since 1986 a universal National Health Service (NHS) was established, ranking among the best in the world according to World Health Organization assessments (WHO, 2000), and citizen evaluations (Eurobarometer, 2007). However, recent reforms altered the principle of universality. This represents a paradigm shift which will generate asymmetries in protection between citizens across regions, as well as between social groups with different income levels, reducing the redistributive capacity of health spending (Del Pino, 2013).

- Since 1985, the education system guarantees the universal right to compulsory basic education for children aged six to 16 years.

- Unemployment protection has several components, one of which is contributory, and plays a basic role in ensuring the well-being of society.

- Family policies have not received attention until recently (in part due to the stigma of the pro-nativity policies of the Franco dictatorship). Spending on these policies is clearly insufficient, being well below the EU average.

- Finally, long term care was launched only in 2006. Also, generally modest minimum income schemes exist in the autonomous communities (ACs) since 1989.

The most important components of social spending are retirement pensions (30 percent), healthcare (30 percent), and unemployment protection (14 percent), compared to 39, 29 and five percent respectively in the EU-27. Regarding education, usually excluded from social spending, Spain spent about five percent of GDP compared to the 5.5 percent average of the EU-27 (Eurostat, 2012).

Two additional features are critical for understanding Spain's Welfare State. First, welfare policies are in large part decentralized. The decentralization of healthcare and education to the seventeen ACs culminated in 2002. While pension policies and passive unemployment programs remain almost entirely in the hands of the central government, regional governments also have powers in active employment policy, minimum income, and other social welfare services. Over 70 percent of regional annual budgets are dedicated to social policies. Second, the role of Europeanization in Spanish social policies is also critical. The EU's concern for social issues has been linked to attaining economic competitiveness and employment objectives. In general terms, Europeanization has strongly shaped the direction of national social policies in Spain.

Prior to the current crisis, the socialist government (2004-2011), enacted various reform initiatives aimed at adapting the Spanish Welfare State to the NSR (immigration, ageing, changing family structure, new forms of poverty, among others). In response to the international economic crisis and the credit crunch, the Government, in a desperate attempt to maintain employment, applied Keynesian stimulus policies between 2008 and 2009. However, in the spring of 2010 it radically reversed the orientation of its expansionist policies, and presented a comprehensive plan for deficit reduction that included significant cuts in social spending. A few months later, after the return of the conservative party to the Government in December 2011, and in a context of severe crisis, all areas of social policies were reformed, primarily through spending cuts and the reduction of the generosity and coverage of social benefits (Del Pino, 2013). Between 2010 and 2014, public expenditure in education and healthcare was cut by around 12 and 17 percent, respectively.

Regarding the ***Social-democratic regime***, Nordic countries took a distinctive path establishing a "model of social protection in which uniform benefits and services based on residence were combined with earning-related social insurance programs" (Kautto, 2010:592; Palme, 2009). As a result of a strategy of redistribution based on a broad coverage of generous transfers, the ample provision of subsidized services, and maintaining high levels of employment, the system produces good outputs in terms of poverty reduction, and the most equal income distribution among the OECD countries. Moreover, the active commitment to the de-familization of child and elderly care, along with citizenship and individual rights as core entitlement principles encourage higher female participation in the labour market and the economic independence of women (Hicks and Esping-Andersen, 2005). Investment in activation policies regarding people's skills and employability is also a distinctive feature of these countries (Kautto, 2010). Although the main features of the system remain, some authors warn about a gradual erosion of some of its key features (Kvist and Greve, 2011).

The state cooperates closely with local authorities, who play a paramount role in the management of welfare policies (Kautto, 2010). Criticism of the model has mainly focused on its high levels of social spending, high tax rates, and other problems related to its sustainability and compatibility with economic growth in a globalized world.

Regarding the ***Welfare State in Norway***, total tax revenue as percentage of GDP has been very similar to other Nordic countries, although public social expenditure as percentage of GDP has been lower than in Sweden or Denmark (it should be kept in mind that GDP data include Norway's oil revenues). The Norwegian Welfare state is characterized by universalistic schemes including:

- A comprehensive system of social insurance (National Insurance scheme, Family Allowance Scheme, and the Scheme for Cash Benefits for Families with Small Children). The benefits include situations such as survivor's, disability, occupational injuries, improving work ability, work assessment, health conditions, cash transfers, attention to single parents, and family allowances.

- A comprehensive old-age pension system under the National Insurance Scheme includes:

    - Basic pensions and supplements for spouse and children, and supplementary pensions.

    - New provisions including income based and guaranteed pensions.

- Family policy involving the above mentioned benefits and allowances, parental leave schemes (including fathers), and voluntary subsidized child care institutions with close to full coverage.

- A comprehensive education system, free for all, compulsory 10 years and right to upper secondary schooling. Norway has one of the highest educational attainments of the OECD.

- A system of student's loans and grants run by the Norwegian State Educational Loan Fund. Students are given loans, approximately one third of which are transformed to grants upon timely completion of exams.

- A public healthcare system, partly run by local authorities (care) and partly by four regional health authorities under the Ministry of Health and Care Services. Healthcare services are basically free, with some small user fees.

Both within health, education and insurance, small private markets exists alongside the public sector provision, but public provision is the overwhelmingly dominant model in all of these fields.

The main components of social spending in Norway are old age pensions (32 percent) and health care (31 percent). Unemployment protections represents only 3 percent of social spending. Education, which is not counted as social spending, constitutes over 7 percent of the GDP, compared to the 5.5 EU-27 average.

The comprehensive social insurance system contributed to the dampening and amelioration of the effects of the recent crisis in Norway. By providing support for those affected by the negative consequences, social insurance mitigated the decline in consumer demand, and the subsequent negative multipliers for other economic domains.

Large reforms have recently been undertaken in the welfare system, including organizational reforms such as the creation to a "one shop" model by merging the public employment services and the social insurance services. The purpose of this reform was, both to simplify the process for users, and to coordinate activation policies with health related insurance schemes. Another important reform has been a comprehensive national pension reform to ensure long term sustainability of the system of old age pensions.

5. Brief comparative outlook

Although Norway and Spain present significant differences in their institutional settings, both countries share an interest in addressing the new social and economic challenges currently affecting post-industrial societies while maintaining social cohesion. The NorSpaR project has attempted to analyse the way in which these countries try to conform to the main parameters of the European Social Model while responding to the NSR.

A first finding in this analysis is that although both countries share most of these challenges (similar to those faced by all European welfare regimes), the intensity with which they experience those problems is far from the same. For example, while unemployment reaches 26 percent in Spain, it is only 3.5 percent in Norway. Similarly youth unemployment is a serious problem in both countries but its magnitude is significantly more worrying in Spain. Projections show an increasing old-age dependency ratio in these two countries in the coming decades, but they are considerably higher in the case of Spain.

This unequal incidence of socio-demographic problems is not as directly related to the current economic crisis as one may initially think. Norwegian policies have been characterized by restraint in good times, saving the large revenues of oil and gas extraction in a sovereign fund, focusing welfare policies on training and activation, and working on consensual reforms to the pension system. Coordination between unions and employers contributed to maintain international competitiveness. A relatively compressed wage structure contributed to sustain voters support for the Welfare State, providing social protection that cushioned consumer demand and the financial sector. The strength of the sovereign fund, and the good fiscal stance before the crisis, allowed the Norwegian government to pursue a sustained expansionary response to the collapse in the international financial sector. An export portfolio not particularly affected by the international crisis, high levels of investment in the oil and gas sectors, and an expansionary fiscal policy all contributed to a quick recovery of the Norwegian economy.

Spain has certainly been more intensely affected by the financial turmoil, but the macro-economic imbalances affecting this country were already present before the crisis. Over the previous decade Spain had one of the best records in keeping up with the Maastricht stability criteria (regional finances were practically balanced and the central government experienced a budget surplus in 2007). However, the crisis created a significant budget deficit (which peaked to 11.1 percent in 2009), which significantly increased public debt levels (from 36.1 percent in 2007, to nearly 100 percent in 2014). In addition to the deficient institutional design of the Eurozone, which was not prepared to deal with asymmetric shocks, there were specific problems that made the Spanish economy vulnerable (institutional and cultural peculiarities of the labour market, investment in low added value, low productivity and low technological sectors, and the high level of dependence on sectors such as construction and tourism). Although the economy grew and generated surpluses in the years of economic boom, the country still experienced high unemployment levels, as well as very high dropout and temporality rates, making employment and tax revenues for governments extremely vulnerable to the fluctuations of the economic cycle.

Many of the problems of the Spanish system are related to the configuration of its labour market and its welfare system. Despite all efforts to catch up with more advanced Welfare Regimes, many social needs were still unattended by the Spanish Welfare State in 2007. This was to a large extent due to the fiscal conservatism practiced by all Spanish governments regardless of their political orientation. While social spending in Spain was 21.6 percent in 2007, it reached 24.9 percent in Italy, 27.3 percent in Sweden, 25.2 percent in Germany, and 28.4 percent in France. The significant gaps in the social protection system were traditionally covered by the family (especially women), who took care of children and the elderly. However, there are indications that the weight of the family is clearly in decline in Spain, leaving many needs unattended (Moreno & Mari-Klose, 2013). Welfare benefits do not reach a large part of the unemployed, who either had labour trajectories that were too short to meet the eligibility criteria, or had been informally employed in the underground economy. While more experienced workers (and the elderly in general) became the main beneficiaries of the social protection schemes, younger workers and families remained largely out of the net provided by social policies, leading to a greater inability than in most European countries to fight against poverty and inequality.

An additional difference between the Spanish and the Norwegian Welfare State is its main policy focus. Crucial to understand the contours of the Spanish Welfare State are the historical circumstances in which it developed in the 1980s, as most European countries were already trying to contain social expenditure. Modern welfare institutions and policies took shape in the midst of the transition to democracy, after forty years of dictatorship, and in a period with very high social contestation, leading to the development of a social protection system of an essentially palliative nature. For this reason it has generally been considered more as an expense than an investment. On the contrary, and despite concerns about the sustainability of the system, in the Nordic countries (and Norway is no exception) social policies are designed to ensure equity and quality of life for all citizens, but also to function as an essential tool for economic growth. In the 1990s, efforts to decrease public deficit (caused in part by the expansionary measures implemented in the 1980s to face the crisis), Nordic countries launched a series of policy measures aimed at reforming the public sector, introducing the so-called *flexicurity*, and promoting social investment initiatives. Today these countries are among the most competitive economies in the world (Global Competitiveness Report GCR). Furthermore, they have high employment rates (even higher than the EU average for the low-skilled), and although inequalities have increased in recent years in some of these countries, they remain low compared to other European countries (particularly Spain).

European countries face very similar socio-demographic challenges regarding ***long-term care*** needs due to the transformations experienced by these societies: decline in mortality for all age groups, low birth rates, and increasing life expectancy. This ageing trend, together with the higher prevalence of situations of dependency and LTC needs that come with it (chronic and degenerative illnesses, mental health issues, etc.), have contributed to increase the visibility of this issue in the political agenda, mounting the pressure for public policy changes in this domain. This situation is particularly acute in the case of Spain as a result of the higher life expectancy and extremely low fertility rates experienced by this country over the last two decades.

LTC has traditionally been a family responsibility, but it is increasingly taken up by Welfare State structures, most of the time through some mix of public and private responsibilities. The most distinctive features of European long-term care models are to be found along a combination of five dimensions: the role of the state (primary or secondary), the mode of financing (taxes or insurance), the major policy instruments (services or transfers), the eligibility criteria (universal or selective), and the generosity of benefits. On this basis, four regimes can be identified with the Scandinavian public service model and the Mediterranean family care model as the two most contrasting models. The Scandinavian model is rooted in state primacy, the Mediterranean model in family primacy. In-between the two are a state-oriented means-tested model (e.g. UK), and a family-oriented insurance-based model (e.g. Germany).

Southern European countries (including Spain) are latecomers in the development of LTC programs when compared to Central and Northern Europeans states. These countries are developing LTC schemes by transitioning from welfare protection systems based on solidarity of the family, and gradually moving towards universal type models. Rodríguez Cabrero (2005) points out the main trends in LTC policies in Europe, including: a) increasing universalism, but limited State action directed towards ensuring multilevel regulation as well as basic funding for those schemes; b) extensive and intensive family responsibility in relation to care; c) decentralized management (regional planning and centrality of municipalities in the management of services and benefits) supported by the private sector (increasing substitution of public services with enterprises and third sector); and d) increasing importance of the beneficiaries and their families in choosing the combination of services and cash allowances that better suits their needs within the financial limitations imposed by the national regulation. In the Mediterranean countries these general trends imply a transition towards new forms of public involvement to complement the weakening family and informal care systems.

In the case of the Norwegian LTC, services are mainly public, and cash transfers have a low priority. Service levels are generous compared to most other countries, in particular as far as community care is concerned. In Spain, the actual bias of the model in favour of cash benefits instead of promoting the provision of services constitutes a clear contradiction of the initial objectives of the "Dependency Law". This is, to a large extent, the result of the existence of a social structure of informal care (related both to families, and to an informal market of undocumented immigration), which the current economic crisis has in fact reinforced. The limited supply of social services and public spending conservatism reinforce that trend.

In the Scandinavian countries, and specifically in Norway, recent controversies refer to the balancing of services (role of traditional nursing homes, special housing and community care), and responsibilities (division of functions between the public and private sectors, and between central and local governments within the public sector). De-centralisation of responsibilities and de-institutionalisation of services constitute identifiable trends which remain controversial. Whereas special housing is general for the younger disabled, traditional nursing homes are still dominant for elderly care.

Concerning sustainability, future challenges are different across Europe. Scandinavian countries were ahead in their demographic transition, but have lower population ageing ahead. However, the Scandinavian model is expensive to maintain, and needs significant levels of solidarity from younger generations: will they continue to deliver? The southern and more familistic Welfare States needs larger and stronger families when they in fact are growing smaller and weaker, making family dominance in care hardly feasible in the future. The sustainability issue is probably, and first of all, a matter of political and popular will to support the Welfare State. The new welfare vision is then an old one, where the Welfare State once again comes to be regarded as an investment and a promise for the future, and not as a burden for society and the economy.

Regarding challenges in Spain, the current crisis introduced significant uncertainties about the future of the recently passed "Dependency Law", due to the growing economic and political difficulties. The crisis is, in fact, operating as an institutional "analyser", revealing the weak points of the social, political and economic systems of Spain. A crucial question in these turbulent times will be the capacity of families to continue operating as "shock absorbers", cushioning extreme forms of social exclusion (Marí-Klose and Moreno-Fuentes, 2013). Family micro-solidarity is unlikely to provide support to the extent it did in former crisis, when family ties and familistic expectations were much stronger, and male bread-winners were more effectively protected against redundancies by stringent employment protection laws.

The implementation of LTC policy in Spain initially implied a significant increase in the resources devoted to attending the needs of dependant people (from 0.32 percent of the Spanish GDP in 2003, to 0.44 percent in 2009, and to 0.64 percent in 2010). The measures adopted by the central government to scale down the implementation of the "Dependency Law" resulted in a significant reduction of its financial contribution to the funding of the LTC system, from the approximate third it originally was supposed to be, to about 20 percent of the total cost of running the system it assumed in 2013. This means that regions are now responsible for around 60 percent of the total LTC costs, and beneficiaries have increased their contribution to nearly 20 percent of the total costs through increasing co-payments. In addition to reducing its financial contribution the central government re-scheduled the calendar of implementation of the LTC by delaying the deadlines in which all dependants ought to be evaluated, ranked and should be receiving services or transfers (postponed to July 2015). One of the main effects of these scaling down measures introduced over the last years has been the stagnation (and in some cases, even the reduction) of the total number of beneficiaries of the different LTC schemes.

The new LTC system implied the creation of new institutions and the strengthening of previously existing ones (notably within the social services at the local and regional level), constituting a step away from the traditional familistic Mediterranean model, without completely freeing families from the central role they need to continue playing in caring for dependant people. The fine-tuning of the multi-level governance structure of the system (articulating responsibilities between different levels of government), and the improvement of its financial situation, appear as necessary conditions to guarantee its sustainability. This will also allow the minimization of “blame avoidance” and “blame shifting” strategies currently used by different State administrations to reduce the political costs derived from the insufficient development of the “Dependency Law”.

Family and gender policies were profoundly transformed in Norway between the 1970s and the 2000s. In the late 1970s, the national Social Insurance Scheme, a main pillar of the Norwegian Welfare State, was established. The male breadwinner family was clearly in decline, and married women, including the mothers of young children, were entering the labour market. The rise of “new feminism” contributed to an increasing demand for gender equality, not only in the labour market, but throughout society, including the family. Welfare State policies regarding work, family and childcare were increasingly articulated within a gender equality framework. Thus, in the 1970s legislation regulating day-care for children was passed, and a period of parental leave for use at the discretion of the parents was added to the maternity leave long in existence. Of special importance in the early 1990s was the legislation on the “daddy leave”, an individual paid leave for fathers at the birth of their child, as well as the introduction of continuous childcare schemes reaching from the cradle to elementary school. Later on in the decade important legislation was also passed establishing a cash grant for private or parental care as an alternative to the use of publicly funded childcare services.

The development of family and gender policies in Spain did not happen until the late 1990s, and especially in the 2000s. After nearly four decades of conservative authoritarian rule influenced by the Catholic Church’s social doctrine (supporting the male breadwinner model), successive democratic governments placed other social problems at the forefront of their political agenda, downplaying the importance of family economic support as a means of social protection. This lack of attention can be attributed to different causes. First, the strong cultural expectations about the role and responsibilities of families kept political demand for public intervention relatively low. Second, Spanish democratic political elites as well as social lobbies (e.g. feminists) showed significant reluctance to address issues (family) ideologically linked to the main social concerns of the previous regime. Third, progressive forces were focused on achieving gender equality in the civil (legalization of divorce, combating gender violence, recognition of reproductive rights, etc.), and economic domains (protection against discrimination and harassment in the labour market) where basic rights were not yet guaranteed.

In the late 1990s deep societal changes (new mindsets about family formation, breakup and caring responsibilities, new types of households -such as single parent, same sex marriage and unwed couples-, etc.), and the Europeanization of policy making contributed to increase the salience of family policies in Spain, and both main parties in the right and the left showed commitment to update family policies. Although some of the orientations of the first policies by the conservative government in 1996 appeared to favour an old fashioned model of family (where women's participation in the labour market was seen as supplementary to their husband's), the impetus to draw new family-friendly policies was unquestionable. Some of these initiatives prepared the ground for a more ambitious overhaul of gender and family policies to be undertaken by the next social democratic government. Beginning in the mid 2000s, it introduced a wide range of measures addressed at meeting family needs, including initiatives to favour residential autonomy for young people, promoting female employment and the conciliation of work and family life (through the expansion of childcare and elderly care), and to encourage fertility and help young families (through birth grants). As a result, social protection expenditure on family/children increased well above the average increases in the rest of Europe between 2004 and 2010. In a climate of economic optimism such measures represented a significant departure from traditional welfare arrangements in Southern Europe.

The impact of family policy reform on gender relations in Norway has been considerable and clearly visible in the female labour market participation rates, the take-up of parental leave of mothers and fathers, or the proportion of children in publicly funded day-care. In the case of Spain, the expansion of family-friendly welfare policies during the 2000s did not last long enough to ensure institutional resilience. In a context of budget austerity, currently existing gender and family policies seem unable to address some persisting problems and new pressing needs associated with the deep socio-demographic transformations that Spain has undergone in recent years. The dream of catching up with the more advanced family-friendly policies of Northern and Central Europe never really came true since the expansive welfare reforms came to a sudden halt in 2008 with the eruption of the financial and economic crisis. In the face of mounting budgetary pressures, Spanish governments concentrated their efforts in containing welfare costs, notably at the expense of the newly created family policies.

With regards to ***unemployment protection and active policies***, and specifically to the problems that these policies seek to answer, Norway and Spain present very significant differences. Compared to most OECD countries (and particularly to Spain), Norway has very low unemployment rates, high labour market participation rates, high educational attainment, and relatively small income differentials. Again unlike Spain, Norwegian outcomes have remained positive in the aftermath of the recent recession. The policies towards the unemployed, with an emphasis on activation and skills development, have been key in Norwegian labour market policies. But the relatively good performance of the Norwegian economy during and after the great recession is due to several other important policy elements, such as the institutional framework, the management of the income from oil and gas extraction, and overall economic policies. As we have seen before, the economic performance of the Spanish economy was good in the years of the boom. However, the recession revealed the structural weaknesses of its productive system and labour market, preventing an adequate response of the unemployment protection and activation policies.

In Norway, unemployment benefits are based on previous earnings, and require that workers are registered as job seekers and actually apply for work. In terms of the level and duration of the benefits, Norway is not far from the OECD median level. However, together with the other Scandinavian countries, Norway stands out with a high ratio of active versus passive expenditure on labour market programs. There is a strong focus on evaluating labour market programs on various outcomes, in particular employment. This country is also average in OECD in terms of the protection of permanent workers against dismissals (regulations of individual dismissal are strong, whereas that of collective ones are weaker compared to the OECD average). There are strict regulations of temporary contracts, although the government is currently proposing to loosen up on these regulations.

In Spain, unemployment benefits are structured in two levels. Contributory schemes require the worker to be involuntarily unemployed, to have paid unemployment insurance for a minimum period, to prove his/her availability to actively seek for a job, and to accept adequate job offers. The assistance level covers those unemployed that have finished their entitlement for the contributory benefit, as well as those that do not qualify for the contributory schemes. Different analyses place the Spanish level of unemployment protection on an average level regarding its coverage. In 2011 Spain spent less than the European average in active and passive policies, although the expenditure in active policies had decreased quite significantly (only 22 percent of the total, compared to 33 percent of the European average) reinforcing a previously existing trend (CES, 2014).

A key challenge to the social insurance system in Norway is to make a sensible delineation between health related benefits (such as disability benefits), and work related ones (such as unemployment benefits). This issue has become more relevant with the ageing population. In a recent reform the Norwegian Labour and Welfare Administration (NAV) was established by merging the National Employment Directorate, National Social Security and Social Assistance Service at municipality level. The purpose of this move was to establish a “one-stop-shop” policy, and as well as to better coordinate activation policies and health related social insurance services. NAV is a comprehensive welfare and labour services organization, and administers a third of the national budget through schemes such as unemployment benefit, work assessment allowance, sickness benefit, pensions, child benefit and cash-for-care benefit. Its main goal is to get more people into jobs, fewer people on benefits, and to keep a well-functioning labour market. The process and the results of the merger is still under evaluation, and it remains to be seen if this administrative reform delivers.

Another challenge relates to youth unemployment and the “neither in school nor at work” (NEET) among this group. Norway has had a youth guarantee from the late 1970’s, gradually expanding in scope until recent reforms. Activation is a key feature of unemployment policies in Norway. The aim of these programs is twofold: to combine relatively generous insurance without distorting incentives for job seekers, and to retrain the work force to facilitate structural change.

In the case of Spain, the crisis has significantly aggravated the traditional problems of the employment protection system (poor protection of the unemployed, especially those on long-term unemployment, increasing percentage of workers at risk of poverty, youth unemployment -including the NEET-, and the sustainability of the system). Despite the lack of evaluations of active policies, different actors agree that the results are modest at best. Several factors complicate the objective of unemployment protection and reincorporation into the labour market: the high unemployment rates, the high number of long-term unemployed workers, the specific characteristics of youth unemployment, the economic situation, and the problems of relationship between the central government and the regional administrations. Proposals to solve the problem of the high expenditure in unemployment protection escape from the scope of the unemployment protection system, and suggest an increase of the internal flexibility of the firms, and the reduction of external flexibility in order to decrease the high rates of dismissals and temporality. Other social actors suggest the reconfiguration of the Social Security System, while still others propose a redefinition of the financing of the unemployment protection schemes. Finally, other proposals suggest improving the protection of the unemployed that fall outside of the incomplete safety net by increasing assistance for registered unemployed people with dependents who lack an alternative source of income. Regarding the situation of the working poor, there is little public discussion about allowances to precarious workers, for instance about in-work-benefits or active policies aimed at workers with low quality jobs, which could encourage unemployed workers to join the labour market. The underfunding of active policies, the difficulties to expand these programs to 6 million unemployed workers, and the negative results of the evaluations of those schemes put into question the efficacy of these policies, and suggest that it may be necessary to concentrate resources in specific groups of unemployed workers.

As policies have legacies, countries tend to follow the paths already taken. They are therefore attracted to different solutions, even when circumstances are similar. Some look for solutions in the state, others in the family, and yet others in the market or in civil society. Scandinavia is the prototype statist Welfare State model. Continental and Southern European countries are more inclined towards the family, whereas liberal Welfare States are inclined towards the market. Path dependence is, however, only part of the story, as longer periods of consolidation are broken up by periods of reform and path departure. We may now again be at such a crossroad, when a new welfare vision is needed in response to population ageing, expanding individualism, and new forms of family configuration.

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El Grupo de Investigación en Gobierno, Administración y Políticas Públicas (GIGAPP) es una iniciativa académica impulsada por un equipo de investigadores y profesores del Programa de Gobierno y Administración Pública (GAP) del Instituto Universitario de Investigación Ortega y Gasset (IUIOG), Fundación Ortega – Marañón, cuyo principal propósito es contribuir al debate y la generación de nuevos conceptos, enfoques y marcos de análisis en las áreas de gobierno, gestión y políticas públicas, fomentando la creación de espacio de intercambio y colaboración permanente, y facilitando la construcción de redes y proyectos conjuntos sobre la base de actividades de docencia, investigación, asistencia técnica y extensión.

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