



Improvement of the safety net that guarantees a worthy life – a tool for social security

The welfare state - Norway

Norway is one of the richest countries in the world, often called a welfare state and it enjoys large revenues from the oil industry.

According to United Nations Association of Norway, «The standard of living in Norway is among the highest in the world, with very high living costs and a comprehensive tax system. The country has a well-developed welfare system, with free education, good health care and good social schemes and social security schemes.»

Initially, the welfare state was mainly an insurance state that financially insured people against various forms of risk, such as loss of work, illness or death. But gradually the idea of social rights also became an important part of the welfare state.

The welfare state includes a large number of public schemes and the public sector, state and municipalities, have a main responsibility to ensure all citizens some basic benefits. They should not just be for the rich - or just be an emergency aid for the poorest. The benefits include:

- social policy schemes, such as old-age and disability pensions, unemployment benefits and social benefits;
- health and care services, such as hospitals and nursing homes;
- educational institutions, such as schools and universities;
- family policy schemes, such as child benefit, parental leave and kindergartens.

Welfare schemes are a collective term for public benefits related to pregnancy, birth and adoption, public benefits in the event of death, as well as other support schemes such as housing benefits.

The Norwegian Labor and Welfare Administration «NAV» is a public agency under the Ministry of Labor and Social Affairs that is responsible for organizing and financing labor market measures, social security benefits and social assistance.

The Norwegian social protection system is included in the so-called «Nordic model» with high employment, high productivity, low inequality, social investment, effective partnerships and universal and generous welfare states. It has been praised and embraced by parties across the political spectrum for its ability to combine efficiency and equality.

On the government's website it says that good living conditions, the fight against poverty and social exclusion are fundamental welfare policy goals in Norwegian welfare policy. These are goals that are also expressed in the UN's sustainability goals.



So why it is important to improve the safety net when almost everything seems to be perfect?

The Norwegian Labor and Welfare Administration is a mainstay in the Norwegian welfare state and manages the common safety net that has been built up over generations. It is responsible for organizing and financing labor market measures, social security benefits and social assistance. Surprisingly, it finds and highlights in one of its reports that even though Norway is one of the countries in the world with the least differences, the gap in what people earn has increased since 2009.

The government is cutting benefits year after year and the safety net has been weakened. Among other things, this has led to an increased need for social assistance and more poverty. In addition, the Norwegian Labor and Welfare Administration do not always provide the right services and benefits at the right time. Also, they do not always involve people in determining what kind of help they need.

For the moment, people are experiencing different cuts: *in work clearance money, in unemployment benefits, in sick pay schemes, in social assistance and in child benefits. And poverty in families with children is increasing.*

For example, some municipalities deduct the child benefit from the social assistance payments to families. This intensifies poverty which is already increasing among families with children. Figures from Statistics Norway show that in 2018, almost 111,000 children under the age of 18 lived in families with persistent low income. This constitutes 11.3 per cent of all children in this age group, our children. These children understand and bear the burden of poor parenting and a lot of energy goes into hiding the family's poverty, for example by not mentioning birthdays they are invited to.

In general, poverty in Norway is about more than having little money. It is about limited opportunities to participate in society in a way that is expected of you. The shame of not being able to participate socially because one's freedom of choice is limited by the family's or one's own finances, means that more people isolate themselves.

It is true that there is a strong connection between poverty and having weak or no connection to working life, but poverty has different causes that requires a holistic approach.

Many workplaces have small job percentages, and use young unskilled workers and cheap labor. Various benefits are not related to what things cost anymore, such as expensive medicine and food.

We see that many who work or are on public benefits do not manage financially and need additional support. This points to an important development trend in our country: While expenditure is constantly rising, especially housing costs in the large cities, the public benefits are largely not keeping up with the inflation in the society.

Of course, the word poor is often associated with a notion of people walking around in holey and dirty clothes. We don't experience this type of poverty in Norway.



But poverty affects some groups in our society more than others, such as young single people, single parents, couples with young children and families with 3 or more children, immigrants, the long-term unemployed, the long-term sick and recipients of social assistance. Also pensioners, including old-age pensioners who live alone.

Based on this, I would like to emphasize that it is not common to be poor in Norway. Most of Norwegians are not poor. Therefore, it is even more taboo not being able to make ends meet, and people are ashamed and do not dare to admit that they are poor. It's human to compare yourself to the people around you and you can feel a real exclusion because it is difficult and more stigmatizing to be poor among the rich. Rich societies such as Norway require more resources to be able to participate in society at what is perceived as an acceptable level.

Due to the coronavirus pandemic, unemployment has risen markedly. Some came in the form of redundancies and will be of a temporary nature. Something will last longer, and many people have seen their economies deteriorate and are living more isolated.

The country report on the national social protection system in Norway identified gaps in how effective the Norwegian social protection systems protect against risks of poverty and social exclusion for different vulnerable groups.

These gaps and economic issues have significant implications for the people involved because they experience an eternal battle which is stressful and tiring and goes beyond not only the social participation and mental health of the individual, but to his entire family.

Also, there is a kind of political agreement that the economic inequalities are increasing, but the big disagreement lies in the explanation and any measures to do something about it. Both researchers and politicians agree that in this area our society is heading in the wrong direction, so why is nothing being done about it?

If we choose today to talk about guaranteed minimum performance or improvement of the safety net that guarantees a worthy life, it is not because we want an implementation of a new social system or new schemes. We only suggest *an improvement of the existing ones so they can become a real tool for social security.*

Considering the above in our presentation, we believe it is useful and appropriate with a scheme which is the security net at the bottom to limit inequality and poverty.

The idea of a guaranteed minimum performance or security net is not new. It has appeared in many historical contexts when unemployment, hunger and poverty have prevailed and the gap between rich and poor has been perceived as too great. Within all social movements, demands have been made that the financial surplus should be shared in a different and fairer way, and for some a guaranteed minimum performance has been seen as a means of achieving greater justice.



I would like to point out in passing that there are many designations for this and the discussion around concepts often diverts the focus from the most important thing for us,

which is to enable access to people who are struggling with an income so that they can live dignified and good lives, so that people do not get sicker from worries.

In conclusion, it's true and fascinating that Norway has a well-developed welfare system, with free education, good health care and good social schemes and social security schemes but behind that there are many fates that are badly affected by the increasing economic differences between rich and poor, the gap in the welfare system and cuts in the social schemes. Those affected are people who are already in a vulnerable situation or people who are forced into it due to «anti-social» decisions or people who fall between two chairs and do not get access to the right help at the right time.

The rates for the various benefits must correspond to what it actually costs to live in Norway. The government says, for example, that the rates for social assistance have increased, but they are still far below the reference budget, which is designed to say something about what it costs to live a dignified life in Norway. There can be no long application processes, because the unpaid bills lies there and the amount to pay is getting higher while interest rates increase. Therefore, an improved safety net means that the money must arrive at the right time. In addition, it is important to strengthen the concepts of social *rights*, so that getting social benefits equal to a worthy life is seen as a right that every citizen should have.

This can help give people a dignified life, which is our overall goal.

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