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Social Policy in Scandinavia in Post-War Years.

Has it met its Objectives?

Introduction by Mr. Odvar Nordli, Prime Minister of Norway.

Even if the scope of this symposium is the Scandinavian perspective, my observations will largely reflect the ^{conditions.} Norwegian/ However, the main problems, the developments, and the basic political principles are - as you may know - very similar in all Scandinavian and Nordic countries.

It is difficult to give a sharp definition of social policy. Traditionally, its main elements are the public social insurance, and the public health services.

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However, with the development of the welfare society, we can identify a widening of the concept of social policy, leading close to the area of general economic policy. To illustrate this trend, let me define economic policy as the political actions influencing the volume and growth of production and incomes. Social policy aims at influencing the distribution/and redistribution of incomes and other elements of the total concept of welfare. One main purpose of redistribution of incomes/is to give equal opportunities to all. Our policy objectives to equalize the economic and social conditions of the families must be seen under this perspective.

In this context, the Social insurance system and public health and hospital system, do only represent two elements.

Other important elements are the regional development policy, education policy, housing policy, *employment policy*.

By large transfers to fishermen and small farmers (most farms in Norway are small), and to local Governments in remote areas, we try to achieve this. Moreover, by a vigorous regional development policy we try to change the economically backward areas into self reliant communities with better opportunities.

By decentralizing the educational system we wish to put reality into the principle of free education for everybody. Education is not free if a young girl or boy has to travel far from the home to have a secondary education. The absence of school fees is only a precondition, not a guarantee for a genuine free education.

Large financial subsidies and public loan facilities

for the housing sector shall make it possible for families with less than average income to have a proper dwelling at a price which does not overburden them.

A policy for full employment is a fundamental part of social policy in the broader sense. The right to work is a fundamental human right. Everybody who wishes to work and is enabled to work, shall be provided with a freely chosen and adequately remunerated job. Unemployment destroys human dignity and is a threat to social stability of any society, and a threat to individual freedom.

These are brief examples of the "non-traditional" areas of social policy. Behind each of them, and also behind other examples which I have not mentioned, you find a high level of taxation, with a pronounced progressive profile. Therefore, the general equalization of welfare is created both through the high taxes which are needed for the broad social policy, and through the various social programmes whereto large Government funds are channelled.

I wanted to give you this background to my more specific comments to the social policy in the traditional

sense. This is necessary to judge our policy, its failures and successes, and the tasks ahead of us. You will not understand fully the Nordic welfare society by looking at the traditional social policy only.

When our free, democratic life started again in 1945 after five years of war and occupation, we had a unique political situation. In the national resistance movement during the war internal political differences were put aside. As the time of liberation approached, leaders of the political parties met informally, discussing post-war Norway. This resulted in all the political parties agreeing on a common programme covering all important areas of political life. This common political programme was gradually replaced by individual programmes and policies of each party. The main principles of our social policy

as they were formulated in the common programme played a decisive role in the post-war period in this country.

The basic principles represented a continuation from pre-war. We put the highest priority on fighting social suffering and poverty by expanding the social insurance system. Two main lines of action were followed. Firstly, we aimed at replacing selective measures based on an assessment of the requirements of each individual applicant, by general systems. A citizen should not need to apply with his hat in his hand for mercy from public authorities. He should have an unconditional right to certain contributions from the public if he met with a few general qualifications. Old age pension should thus be paid out to everyone, the same went for allowances

under the health-insurance.

The other main line of action was to have a substantial increase in the standard offered by our social security system.

Social and economic problems associated with unemployment did not occur in the post-war period. Whereas unemployment compensation and other aids to the unemployed were an important part of pre-war social policy, we have throughout the post-war period succeeded to maintain a full employment society. Even during the last few years our unemployment rate has not exceeded two percent of the labour force.

The strong and steady and long term economic growth from the end of World-War II till the beginning of nineteen-seventies gave the economic possibility

for a drastic increase in the volume of social security contributions and other elements of social policy. The political authorities used this possibility for a large-scale change of our society, by creating the present welfare state.

The Labour party, having been in Government position in 18 of the 25 years between 1945 and 1970, can claim a large share of the responsibility for this. But even speaking as a Labour party member myself I will emphasize that there has been no deep political disagreement in Norway in the basic questions of our social policies. The bill for the present comprehensive social insurance system was presented to Parliament by a nonsocialist government.

Without bothering you with too many figures I can mention that total public expenditures on help and social matters represented 5 percent of the gross national product just after the second World-War. To-day this percentage has increased to 23. In the same period the national product has increased four times. This means that in real terms the spending on this programme to-day is 15 - 20 times higher than in 1946.

I would guess that if we in 1945 had been presented with the possibility of carrying out such a tremendous increase, we would have believed that virtually all social problems would have been eliminated in the process. But experience tells us differently.

The major objective has been reached. Poverty, slums and social need as these things were known in the

thirties, have been eliminated. It is for the first time in the history of this country, and of other Nordic countries, that we definitely can say that poverty and social need have been eradicated. Historically this achievement is remarkable. I would gather that in the history-books of the future this point will be underlined.

After having emphasized the sunny side of the picture let us turn to some of the problems we still have to tackle.

Turning first to the comprehensive social security system, we have to-day about 300.000 receivers of public pensions and other insurance contributions. In economic terms this system is being carried by the about 1.6 million people in the active working population. This means that

every 2 persons of the working population have to provide the economic basis for 1 pension receiver. The old age pensioners are the biggest group, followed by the receivers under health-insurance. Every individual in the active working population has to pay about 4.000 dollars into the social insurance system. If we also include the expenditures on the publicly owned hospitals, and other expenditures appropriated on central and local government-budgets, we arrive at the figure of more than 6.000 dollars per head in annual contributions.

This figure is high, but not too high. The working population still enjoys a high material standard. And the security which is built into this system is of a tremendous value in human and psychologic terms for the whole population and the community as such. The ethics of the welfare state

is a valuable and important part of our social life.

But the high level which we now have reached in economic terms, makes it difficult and very expensive to make further large general increases. Total taxation in this country is high, and I think there are narrow limits for a further increase.

Then, you may ask whether there is a need and a demand for such a general substantial increase. Without replying directly to this question, I think it is fair to remind oneself of the fact that there is a certain inertia in all sectors of public policy. Political opinion and political programme writers have a tendency to insert in their papers a desire to continuously increase ^{the} social contributions. There is also a tendency between political parties to maintain this "race".

On the whole I think other tasks are to-day more important than to provide large general increases to all the pension receivers. Perhaps we may say that we have reached the target of the pre-war days, of establishing the right of every citizen to have an acceptable economic and social standard. But, we have smaller groups with a special and often, in individual terms, very high need for public assistance and financial contributions. This may apply to the blind, to the mentally disabled and other groups. In recent years we have focused on the requirements of these people. Encouraging results have been achieved, but I feel that here is still a way to go until we have reached a level which is satisfactory to our social aspirations.

More important fresh problems in our social policy can be identified as a by-product of the general development

of our economic and social welfare. Some individuals tend to become unable to live up to the expectations which to-day are established. The rapid economic and social expansion has also implied a very rapid urbanisation.

The new urban societies give people a high material standard and good access to public services. But they seem to lack "something", which is essential for a harmonious community life for everybody, especially for young people.

The general expansion of our education system has been beneficial to the large majority of the youth which is eager to have more education in our school-system. But the minority which is less fit for the sort of education which our school offers, tend to lack the ability of adjusting themselves to the modern society. We are struggling, as in most other countries, to try and find the solutions to this. As long as we have not been able to do so, we are left with the problem of trying to heal instead of prevent this social disease.

Problems in Norway and in other Nordic countries with regard to alcoholics, narcotics, criminality, may be modest compared to what you find in the larger countries with larger urban centers. But still, we recognize this problem as a serious one, and we have to admit that we have not yet found the general solution to it. Maybe a general solution cannot be found, but I hope that we can do better in offering this section of our youth education, professional careers, and social surroundings which are more appropriate to them/^{than}is the case to-day.

I would like to say a few words about a special problem of the social policy, the problem of bureaucracy. In the old days, before we had any large government social policy, social welfare was a private matter in the family and in the local community. Even if this system was far

from perfect, it had one advantage, there was a direct and personal contact between the community and the people who needed the help.

With the expansion of our modern social policy system, one major objective was to create a general system without discrimination and without selective testing. I believe that the social system in modern society basically must remain like that. But I have to admit that our present system sometimes lacks the ability to treat people individually and with the necessary personal touch.

Ironically, the better and more complicated we make our system with a view to reach more and more of the people who need the assistance of it, the more difficult we make

it for people really to make the full use of it. This goes particularly for the old people, and for people with little education and who are not used to formal documents and legal language. For such people in this country today, it is not always easy to understand the Government when it addresses itself to this person through the social insurance system. The bureaucrat who is the intermediary between the political authorities and the public, has to observe the legal rules. He has to be exact and comprehensive in the way he writes to the public. This intention is good and commendable and fair, but it makes it some times very difficult for the clients to really grasp the communications which they receive. The new computer methods do not contribute to make the correspondance very personal.

Moreover, it is a problem for a person of to-day to have full information of all the facilities which are offered. This problem is most pronounced for those who have the greatest need for these facilities. In addition to the general old age pension there are special schemes for housing subsidies, for telephone subsidies, for travel subsidies, for medicine subsidies etc, and within the labour market policy special schemes for vocational training, retraining, travel grants etc. But it is hard enough for a member of the Government to have the full information of these

arrangements, and even more difficult for those who really need the information.

It is also difficult to combine the administration of formal rules with the necessary flexibility which often is needed in individual cases. Even if our laws and regulations are written with the best of expertise, it will never be possible to formulate them so that they fit the requirements of each individual. We can never reach such

high level of formal perfectionism. What then is needed, is the tolerant attitude and flexibility on part of our administration in handling the individual matters. This is not an easy matter, and when it is difficult it is not because our civil servants are not efficient and friendly and human enough. In general terms they are a very good group of civil servants. But the problem is to translate our formal rules into human flexible tolerant practice fitted to individual requirements.

On top of this difficulty one also has to be aware of the attempts to abuse the system. Few things are less popular in our general opinion than the misuse and abuse of the social security system. Sometimes we might even be afraid that individual stories about misuse might tend to put a bad reputation on the whole system. I do not

think this is a general danger, but I admit that for the administrator in our social insurance it is difficult to strike the right balance between the few people who try to abuse the system, and the needy client who asks for the human bending of the rule to fit into his or her own requirement.

After successfully having cured the problems of social and economic distress, we think, and hope, that we have also organized our society well enough to prevent these problems to return.

But the new society which we have created in this process, has brought new social problems to us. In addition to the problems of mal-adjustment it may also be argued that we might treat our old people, and long-term patients, differently. Much can be said in

favour of integrating these people more closely into our communities instead of isolating them in institutions.

Why do we not do this to a larger extent? Our homes are not built for such purposes. This is indeed not a very good answer. It leads only to the next question: Why are not our homes built for that purpose?

This brings me to my last point:

The aspects and requirements of social policy should be better integrated in our planning of regions, towns and residential areas.

When the new urban centers bring with them an element of mal-adjusted young people, this is in the deepest sense ^{only} not/the fault of these young people, but of the planners too, and of the community.

Correspondingly, when we have long waiting lists of old people at old-age homes, this should not solely be blamed to the local Governments. Many old people do not in fact wish to move to an institution. They would often prefer to stay in their home, or stay with relatives, if the society had been able to offer them certain services, facilities, etc.

This is another example of shortcomings in our planning.

I can only offer two vague ideas to remedy the present state of imperfect planning.

Firstly, the social sector should be brought more closely into the planning process. By "the social sector". I do not think of any particular profession. What I have

in mind is to have the interests, the expertise and the requirements of the social sector included in the planning process.

Secondly, we should build more flexibility into our planning with a view to meet the changing requirements resulting from change in population pattern, in age groups etc.

To conclude:

Has the social policy of the post-war period created the results which were expected?

Let me first be a little more specific about these expectations. What people expected from the designers of the social policy of the early post-war period, must be seen in light of the structure of that

society and its problems and priorities.

In many areas the results have probably by far exceeded even the most optimistic expectations.

Our societies are throughout filled with the ideas of social security and human equality. When many people to-day have not yet reached a state of life which conforms with these ideas, this must not be interpreted as a failure of the politicians who formulated the objectives of the post-war social policy.

The ideal society in terms of social policy cannot be created once and for all. We shall always be working in a changing society, where new situations create new challenges to social policy.

When social problems arise, many people blame this to the society. I have one reservation to this:

No social system, and no social aid scheme, can, nor should it, eliminate the responsibility of, and the challenge to, each individual. We should, however, remember that not all human beings^{are} supplied with the same mental and physical capacity. But in a society based on the ideas of human equality everybody has the right to develop and enjoy the human values which they possess.

It is a task of our social policy to open the possibilities for this human development.

The extensive, general social policy measures can in this context only offer a partial solution. We see the need for measures which must be individually adjustable, they should be flexible enough to correspond to the

broad spectrum of variety which we find in our fellow human beings. This task goes far beyond the framework of traditional social policy. It confronts us obviously with great difficulties.

However, we must not consider these difficulties as a hindrance, but as a challenge, when we proceed with the formulation of the social policy of to-morrow.

The large amounts of money which we annually spend on social insurance and public health have created a totally new social situation. Our societies have become better and more secure.

But we must be aware of the weaknesses of such a system which may arise if we go too far in its development.

We can probably spend additional billions in the health and social budgets to remedy damage to the human mind and body caused by unfortunate and in-human conditions in our society. We must, however, not enter into such a spending if this prevents us from improving the under-lying conditions. This would be most unfortunate, both for the individual, and for the society.

It is basically wrong to spend large sums of money to hide obvious shortcomings and faults in our society.

We should spend these large sums on preventive measures to avoid future casualties in the social sector.

In this perspective we can see the new tasks ahead of us in the planning and the development at all levels in our society.

As soon as possible we should dismantle the barriers which still may exist between planning bureaus and the bureaus of health and social services.