

Distinct or Extinct?

Nordic Welfare States in the European Context

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Abstract

Efforts during the 1990s to test the dismantlement hypothesis led to a rather broad consensus that the welfare state was not being dismantled or retrenched in a fundamental manner. Instead, a process of gradual reform and revision – re-design or re-calibration - was judged to be taking place. However, as most studies either covered only one or a few countries, or a single welfare state dimension, it remains unresolved whether reforms affected the differences between welfare states or types of welfare states: Did reforms lead to convergence on the European scene?

This article offers an empirically-based answer to this question. It gives an account of how reforms affected the patterning of European welfare states towards the late-1990s, based on key findings from a large scale project comparing welfare state adjustment and its consequences in several dimensions among Western European welfare states over the past two decades.

The present focus is on the Nordic welfare states in a comparative perspective that includes the situation in Germany, the Netherlands and the United Kingdom. The comprehensive nature of the Nordic welfare model and the diverse political and economic challenges recently experienced by the Nordic countries provide an almost laboratory-like setting for addressing questions of welfare state challenge, change and convergence. The central question addressed here is whether the radically new conditions of the early-1990s have resulted in fundamental changes to existing policy practice in the Nordic countries and, as a result, in convergence within the European Union? The brief answer is: Hardly. The findings instead suggest that i) a distinct Nordic welfare model can still be identified, ii) country differences have persisted, and iii) the last 20 years of development have thus not led to a dismantlement nor 'Europeanisation' of Nordic welfare states.

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Introduction¹

Towards the end of the 1990s there emerged a rather broad consensus among comparative welfare state researchers that the welfare state is not being dismantled or retrenched in a fundamental manner (Palier 2001). Recent large-scale empirical comparative studies have shown that the welfare state is rather undergoing a process of gradual reforms and revisions (Pierson 2001, Ferrera et al 2000, Kautto et al 1999, 2001, Kuhnle 2001, Scharpf & Schmidt 2000). To mark this shift in emphasis the present era of welfare state development is described in terms of restructuring or re-calibration. Similarly, we have witnessed a shift concerning the nature and underlying causes of welfare state change. Previously dominant talk of 'welfare state crisis' has given way to rhetoric favouring welfare state challenges and pressures for change. In the 1970s and 1980s neo-classical economists, Marxist sociologists and political scientists alike all predicted that the capitalist welfare state would crumble under its own weight due to crowding out of private investments, moral decay, contradictions and government overload. Today, globalisation, ageing populations and changing family and labour market structures are portrayed as the most pressing problems. These changes in emphasis signal that the imminent death of the welfare state has been postponed, that the welfare state may be the cure for overcoming problems rather than their cause, and that efforts should be devoted to analysing the pressures on the welfare state arising from exogenous factors, on top of more endogenous ones (Esping-Andersen 1999, Jäger & Kvist 2000).

While arguably such a shift of emphasis may be detected, there are a number of unanswered questions in the comparative literature. In particular, it is still unclear whether the reforms of the last two decades took place without affecting the differences between welfare states or types of welfare states, or whether they instead led to convergence, i.e. decreasing differences between welfare states and types of welfare states. On one side, scholars emphasising the importance of institutional factors such as the political system, the labour market and the welfare state itself, tend to argue that reforms took place within specific regimes (e.g., Esping-Andersen 1999, Pierson 2001). This strand of thinking suggests developments are regime-specific, or path-dependent. On the other hand, such views have been challenged by positions stressing the importance of external challenges that will eventually lead to convergence between different types of welfare states (see Alber and Standing 2000).

In this article we examine how recent reforms have affected the patterning of welfare states, with special emphasis on the issue of convergence. The article rests on empirical analyses concerning patterns of welfare state adjustment in certain Western European countries. The analyses were carried out by some 20 researchers from seven countries to examine the issue of divergence and convergence in several welfare state dimensions (Kautto et al 2001). In this article we track patterns and trends from a diversity-oriented perspective that builds on the results obtained in the individual studies.

The article proceeds as follows: in the next section, we clarify the motivation and means of analysis for studying welfare reform in the Nordic countries in the 1990s from a comparative perspective. We then investigate the nature and direction of trends in the means and ends of welfare states, comparing the situation of the Nordic countries with that prevailing in Germany, the Netherlands and the United Kingdom. Finally, this enables us to discuss whether the Nordic countries at the end of the 1990s, given all the recent challenges and reforms, remained distinct from other welfare states.

The Nordic welfare states in the 1990s

Historically, the Liberal, Social Democratic and Conservative welfare regimes have resulted from different historical forces, including institutional legacies and the mobilisation of political classes (Esping-Andersen 1990, 1999). They have followed qualitatively different development trajectories, are organised according to their own logic, and produce different outcomes. The existence of a distinct 'Nordic welfare model' is widely acknowledged and further solidified by Esping-Andersen's Social Democratic regime (1990, 1999), and indeed the Nordic countries have been the most distinctive of all country groups identified in the literature (Castles 1993, xxi). The Nordic welfare model is characterised *inter alia* by mobilisation of workers and women that have influenced the development for a broad scope of public social policy, a political commitment to full employment and reduction of inequalities on several fronts (e.g. gender, income, family situation, region). The model is associated with high social expenditure, public financing and high taxes. In addition to a universal and generous income transfer system, the Nordic model has featured local and publicly funded social and health care service production to cater for all needs and the whole population (see Erikson et al 1987, Kolberg 1991, Kangas 1994, Sipilä 1997, Korpi and Palme 1998, Kautto et al 1999, Kvist 1999). With regard to outcomes, the Nordic model should achieve low income and gender inequality, low poverty rates and small disparities in living standards. Moreover, these various attributes are thought to interact and reinforce each other, only together constituting the whole that we may describe as the Nordic model (Esping-Andersen and Korpi 1987, Kvist 1999).

Crucially, it is these characteristics that allow the Nordic welfare model to be commonly portrayed as 'big and fat' compared to the more mean and lean models in Atlantic and Continental European countries. Thus, in so far as current challenges translate into trimming the welfare state, the Nordic countries would be the most likely candidates to undertake such measures with speed and determination. This could lead to a sort of downward convergence of the Nordic welfare states. Indeed, for an empirical examination of such claims, the four Nordic countries of Denmark, Finland,

Norway and Sweden offer a unique laboratory-like setting due to their differing national social, economic and political developments in the 1980s and 1990s.

The major political, economic and social upheavals that occurred in Europe at the beginning of the 1990s also affected the prospects of the Nordic countries. The collapse of the Soviet bloc and bi-polar world order triggered transition processes towards a new world order. Western European nation-states responded with calls for a more integrated Europe, both politically and economically. In the northern corner of Western Europe, Sweden, Finland and Norway revised their policy; Finland and Sweden became EU members, while Norway opted to co-operate within the EEA-agreement. In terms of domestic policy the 1990s challenged the ruling position of the social democrats in the governments of these countries. Denmark was the sole Nordic member of the EU at the start of the 1990s and first of the Nordic group to experience a shift from Conservative-led to Social Democratic-led coalition government in the 1990s. Increased mobility of capital, internationalising markets and technological progress generated debate on globalisation and its impacts. The early years of the last decade also saw a slump in the global economy. Nowhere in the industrialised world was this more visible than in Finland and Sweden. These countries witnessed three consecutive years of macro-economic decline measured in GDP terms, and their unemployment rates increased almost five-fold between 1990 and 1993, with parallel declines in employment. Unemployment also rose in Norway, and in many respects the experiences of Denmark in the 1980s were now extended to the three other Nordic countries.

Naturally enough, attention from many quarters was beginning to ask to whether these radically new conditions also implied fundamental changes to existing policy practice in the Nordic countries. The Nordic welfare model was certainly being challenged. The steady economic growth and high, if not full, employment that were generally seen as cornerstones of the model suddenly appeared to belong to the past. The consequent fiscal problems placed policy makers in a new situation: instead of policy reforms to guarantee more and better 'social rights', cuts and other balancing measures were considered, and an

emphasis on 'social duties' in the form of increased taxes and social contributions as well as tougher work obligations and moral responsibilities became more prevalent.

From challenges to reforms, from reforms to convergence?

In the Nordic context, the pressures to carry out the reforms were often formulated with reference to external challenges. For many years critics have argued that the Nordic welfare states have excessive taxation, over-rigid legislation, stagnant institutions and too much public involvement. They are said to spend too much on welfare, give the wrong incentives regarding participation in paid employment and family formation, and by having loose entrance criteria for benefits - and high levels of benefits - they are said to promote welfare dependency. In the 1990s such criticisms were rallied to the cause of economic globalisation. It was argued that in an ever more global and competitive environment where firms and employees are more dynamic, and where capital and goods move freely across borders, such a 'slack' system is no longer suitable nor sustainable.

Another substantial issue in the 1990s was the effect of European political integration, or more specifically of the EU and EMU, on the policies of member states. While globalisation is supposed to impact welfare states mainly through unintended consequences, here it is more a question of intentional efforts at a supra-national level to achieve 'harmonisation' and 'co-ordination' between the members. Most agree that in the social dimension nation-states remain sovereign actors, but views are at variance regarding the spill-over effects of economic integration. Some authors warn of the pressure towards greater similarities in economic and fiscal policies, institutional arrangements and levels of provision in the EU member states (Hagen 1999, Leibfried and Pierson 2000, Scharpf 1999, Streeck 1996). A suggestion from many quarters is that the governments of the member states should agree on some joint objectives and standards in the social dimension, otherwise this pressure may make it difficult for the countries with the most generous provisions to sustain them. In sum, during the 1990s reference to 'external pressures' began to supplement established criticism against welfare state arrangements based

on internal pressures (see also Alber 1988, Moran 1988, Esping-Andersen 1999, Jæger and Kvist 2000, Van Kersbergen 2000).

There is no doubt that such challenges – whether real or not - impelled policy makers to consider and introduce reforms. But what impact these reforms had on the prevailing divergence among European welfare states is another question. Those sceptical of the distinctiveness of the Nordic welfare states expect some convergence (resulting in less variation) of policies to occur, either explicitly or implicitly. However, dissenting views have also appeared. Attention has been drawn to the fact that many of the countries that have long been highly exposed to international trade competition, such as the small and open Nordic economies, also tend to have 'larger' welfare states (Katzenstein 1985, Mjøset et al 1986, Garrett 1998, Gough 1999, Stephens et al 1999). Several scholars express scepticism about the impact of globalisation on the capabilities of national governments to pursue their own social and welfare policies, and argue that the welfare states of Western Europe are likely to survive globalisation (Hirst and Thompson 2000, Kuhnle 2000, Ferrera et al 2000). In this view, national politicians, rather than supra-national forces, continue to decide the fate of the welfare state, institutions remain slow to change, and public support for welfare state measures makes radical reforms a difficult enterprise (Pierson 2001).

This type of debate is reminiscent of older juxtapositions in welfare state theorising. The first generation of comparative welfare state studies typically saw welfare state development as a response to changing societal processes, although there were different variants of this general functionalist hypothesis. According to the logic of industrialism and modernisation theory technological and economic rationality pressed for convergence in all industrialised societies. It was argued that economic development both produces the wealth necessary for welfare provision and the need for it, as the population ages and traditional social networks erode in parallel with the processes of industrialisation and urbanisation (e.g. Wilensky 1975, Flora and Alber 1981). In an equally functionalist way, Marxists

saw the development as a feature of modern capitalism (e.g. O'Connor 1973). Having been subject to severe criticism from many quarters the idea of convergence was largely neglected in the 1980s, but received fresh attention in the 1990s, albeit in revised form.

The current convergence thesis tends to evolve around arguments stressing factors beyond nation-states, such as internationalisation, geopolitical transformation, technological revolution, liberalised money and capital markets, as well as a globalised culture. Montanari (2000) identifies another difference: whereas the old convergence theory explained the emergence and expansion of the welfare state, the new convergence thesis underpins views that emphasise the curtailment of welfare states. However, it should be mentioned here that on closer examination there is no single convergence thesis or theory, but rather a multitude of various views on impact mechanisms and their outcomes. Sometimes convergence is interpreted to mean a move towards a European average, or even a minimum. If these were the correct interpretations, convergence from a Nordic perspective would mean a 'Europeanisation' of the Nordic welfare states (Hagen 1999). However, convergence may also occur if other Western European countries start to adopt policies and arrangements already institutionalised in the Nordic countries; this is referred to as 'catch-up convergence' (see e.g. Greve 1996, Alber and Standing 2000, Guillén and Matsaganis 2000).

Theoretically, variants of the convergence thesis are challenged by authors stressing continuing differences. Today it is largely accepted that European welfare states have, for a variety of historical, economic and political reasons, developed different welfare regimes that link the functioning of social institutions (labour market, welfare state and family/household) in various ways. In these circumstances, 'common challenges' in fact become regime-specific challenges (Esping-Andersen 1999), as they are 'filtered' by national traditions, institutions and interests (Ferrera et al 2000). Moreover, the existing institutional configuration imposes limits on available policy options (Pierson 2001), which also influences the process of restructuring. Consequently, it is argued that policy adaptation becomes 'path-

dependent', or follows regime-specific logic, and that reforms tend to be incremental rather than radical, possibly even to the extent of locking existing policy arrangements into place (Pierson 2001). Hence, stability rules rather than change when it comes to differences between regimes.

Divergence or convergence?

On the basis of findings obtained in a recent empirical cross-national analysis of welfare state developments in the Nordic countries and Western Europe, particularly Germany, the Netherlands and the United Kingdom, we now turn to analyse whether there are signs of divergence or convergence between different types of welfare states.² In particular, we consider different dimensions of welfare state change as they relate to interplay between the state and the market, between the state and the family, and regarding welfare state outcomes. Considering the first dimension, state-market interplay, the following analysis draws on studies on financing of social protection, activation policies and changes in unemployment compensation schemes. The relationship between the family and the state is examined in studies on family policies, gender policies and services. And in terms of outcomes we refer to studies on income distribution, gender equality and health inequalities (see Kautto et al 2001).

A preliminary conclusion is that empirical analyses of welfare state developments in these dimensions display greater complexity and ambiguity regarding variation and trends than the arguments for 'institutional inertia' and 'new convergence', as set out above, suggest. When simultaneous attention is focused on developments across a wide spectrum of welfare state activities and outcomes, a picture of both divergence and convergence emerges that renders invalid any universal claim in favour of either path-dependency or convergence. Whereas the above theoretical ideas and hypothesis are general in nature, our empirical investigations show that it is possible to find contradictory cases in nearly all dimensions of the welfare state.

However, if we abstain from the goal of formulating and falsifying universal laws on welfare state developments, and instead aim at middle-range generalisations, we can indeed reach conclusions regarding group similarity and trends. A necessarily modest summary of such findings is provided in Table 1. The main conclusions are i) a distinct Nordic welfare model can be identified, ii) due to parallel rather than converging trends country differences have persisted, and iii) the last twenty years of development have not led to dismantlement nor 'Europeanisation' of Nordic welfare states.

Table 1. Nordic welfare states in the European context

Research question	Are Nordic social policy and welfare (still) distinct from other countries?	
Focus	Denmark, Finland, Norway, Sweden, and Germany, the Netherlands, the United Kingdom (plus other countries) 1980-late 1990s	
Research areas	Policy change	Welfare outcomes
Main findings	<p>Almost identical development paths in gender policy processes among the Nordic countries; All still qualify as 'service states'; While all countries placed greater emphasis on work when designing or modifying their employment-related benefits, the end-result can still be interpreted as enduring diversity because of the differing speed and context of changes</p> <p>-> More evidence for Nordic similarity than dissimilarity; Parallel trends, rather than convergence</p>	<p>The Nordic countries display a lower level of income inequality; Relative poverty rates among typically vulnerable groups still appear to be lower than in other countries; For gender equality a Nordic unity seems to exist: in terms of earnings differentials between men and women and degree of economic dependence among spouses all four Nordic countries are distinct from others</p> <p>-> Persisting diversity in Western Europe and systematic similarities among the Nordic countries;</p>
Overall conclusions	<p>More signs of continuing divergence than of convergence. When convergence could be detected, it resembled 'catch-up' convergence rather than a dismantlement or Europeanisation of Nordic welfare policies. Evidence that the Nordic model is and remains distinct. No evidence of the Nordic model becoming extinct.</p>	

Firstly, regarding collective similarity, the Nordic countries as a group still tended to be different from other Western European countries in key dimensions of policy and welfare. This does not imply they were similar in all respects, as significant differences in the degree and form of adaptation and policy responses could also be found. Yet, in most dimensions the Nordic countries did group together. In our analysis similarities appeared most striking in the levels and distribution of welfare, rather than in policies; systematic similarities could be detected in income distribution, poverty and gender equality. In comparison with other countries the Nordic states in the mid/late-1990s were still characterised by less

income inequality and lower rates of relative poverty (Fritzell 2001). Gender equality was more pronounced, and in household-based comparisons Nordic women were less dependent on their partner's income than elsewhere (Sørensen 2001).

There was also evidence for the distinctiveness of Nordic social policies. An analysis of the development of gender policies in the Nordic countries revealed almost identical development paths (Kjeldstad 2001). Different alternatives for arranging care for the elderly and children could be the basis for arguing that no Nordic model exists when it comes to availability of services. Yet, that policies have developed within a 'social' trajectory rather than within 'education' or 'health' reveals something distinct about the Nordic countries (Rostgaard and Lehto 2001). Moreover, they appear to be continuing to solve care needs by providing publicly run care services. In addition, as a group the Nordic countries invested most in 'active measures', while their spending on 'passive measures' also remained the highest (Hvinden et al 2001). Use of these examples does not mean we declare or imply that the Nordic countries were similar in all respects. For instance, the responses of social security to changing family patterns did not follow any typology-specific routes. Here, in fact, the four Nordic countries could be located in three differing response groups (Hatland 2001). Similarly, for health outcomes one cannot find a common Nordic pattern (Lundberg and Lahelma 2001).

Secondly, regarding trends, we found little evidence of Nordic and non-Nordic countries having become more similar than before. The conclusion from our studies is that although convergence does seem to be occurring in some areas and outcomes of the welfare state, overall developments tend to be characterised more by parallel trends. All countries placed a greater emphasis on work on reforms of welfare policies. This shows up in the rhetoric surrounding welfare reforms, but also as increased demands for previous work experience for eligibility and entitlements, more work availability by social security claimants, and – in some countries - a greater push for activation policies (Clasen et al 2001). However, different starting points among countries for such reforms, and varying speed and intensity

with which they have been undertaken, mean it is more justified to talk of parallel trends rather than convergence of national welfare models.

Similarly, parallel trends were found with regard to welfare outcomes. For instance, although income differences have been increasing lately in the Nordic countries (with the possible exception of Denmark) no convergence of inequality in incomes was found, despite repeated claims to the contrary (Fritzell 2001). Parallel trends also characterise the development in earnings differentials between men and women (Sørensen 2001). It seems all countries succeeded in narrowing the gender gap by fostering more economic independence for women, but as a consequence the differences between the countries did not change much.

Finally, although parallel trends was the overall finding, a few words concerning the results supportive of convergence are appropriate, given the wide-spread anticipation of detrimental effects of globalisation and the EU on Nordic-type welfare states. In the light of our studies two rather safe conclusions can be drawn about the nature of converging trends.

Firstly, against widespread expectations, signs of a 'Europeanisation of Nordic social policy' -type of convergence appear very limited, at least in the policy fields and with the kinds of indicators and methods applied in our studies. The only clear case of such convergence to emerge is the change in the relative responsibility for financing social protection. In the light of available data the responsibilities of different parties for financing in the Nordic countries now resemble more the picture in the rest of Western Europe (Kautto 2001a). To what extent this implies convergence in the nature of social protection policies is another story, especially as it seems that no uniform Nordic pattern existed in the first place in this respect. Besides, the persistent diversity may well outweigh much of the gradual convergence that has taken place.

Secondly, there are good grounds to argue that when convergence has occurred, it has primarily been of the nature of 'catch-up convergence'. We found that a number of non-Nordic countries were adopting policy measures similar to those in the Nordic countries. For example, the active promotion of employment and gender equality are more visible these days on the political agendas of many European governments and international organisations than they used to be, with potentially far-reaching consequences for the design of supportive policies in Western European countries. In terms of employment opportunities, especially for women, this seems to have resulted in a more active role for the public sector in guaranteeing childcare and elderly care. The Netherlands and France with their childcare policies could be named as examples of this sort of development (Rostgaard and Lehto 2001). In fact, social care services provide an area of analysis where talk of retrenchment is greatly exaggerated, and where challenges do not seem to lean towards dismantlement but to investments and improvement (see Castles 2001, Kautto 2001b, Kvist 2001). Moreover, regarding financing trends, most indicators show it is the Southern European countries that by investing more in social programmes have narrowed the gap to the other EU member states that used to have higher taxation and social spending levels.

Active labour market policies also provide good grounds for arguing that some sort of catch-up convergence could be taking place. Nordic countries, and especially Sweden as an activation pioneer, have been promoted as examples of good practice for the other EU member states. According to empirical evaluations non-Nordic countries like France, Ireland, Italy and the Netherlands did indeed become more activist in the last decade (Hvinden et al 2001, Clasen et al 2001).

However, it may be too simple to suggest that these examples are signs of convergence just because changes point in the same direction. Reforms have taken place within different social policy programmes and still broader contexts (e.g., family and labour market structures). For example, child day care is much more universal, highly professional and offered for longer hours in the Nordic

countries compared to Britain and the Netherlands, despite a general trend in both groups of countries towards expanding the scope of childcare provision. In other words, the very combination of social policies internally and with other state and non-state provision constitutes qualitatively different types of social policies in the Nordic versus the non-Nordic countries. Furthermore, differences appear likely to persist despite similar types of pressure for change and similar types of change in certain aspects of individual programmes across countries.

Extinct or distinct?

Globalisation and Europeanisation are often identified as the two main challenges that countries have to accommodate, and most often by way of eroding or changing fundamentally their welfare states. In the literature, generous welfare states like the Nordic ones are seen as obvious candidates for thorough reform. However, our study fails to provide much evidence for such a thesis; membership of the EU has not changed the Nordic welfare states. Neither Denmark's membership of the EU since 1973 nor the more recent entrance in 1995 of Finland and Sweden has led to these welfare states becoming eroded or moving away from the other Nordic countries. Indeed, for example, Denmark has moved closer to the ideal type of the Nordic welfare model over the last 20 years. Equally, it seems globalisation has not adversely affected the Nordic welfare states in a fundamental manner.

This is not to say that no important changes have taken or are taking place. Indeed, a myriad of changes is continuously unfolding, and in some cases these have resulted over time in a poorer correspondence with some of the ideal typical traits. For instance, Sweden and Finland are further away from full employment (but Norway and Denmark closer), some of the Nordic income transfer systems are less generous than they were a decade or so ago, and their services in some dimensions are less public than they used to be. In addition, numerous cutbacks have hurt many, especially the young, unemployed and child families. Thus absolute changes have certainly taken place in the Nordic welfare states, as in all others. But when one considers the combination of the different elements remaining after reforms -

and examines their consequences for the diversity among welfare states as we have done - it is still possible to argue that country differences have not evaporated significantly enough to legitimise talk of dismantlement or convergence. In other words, there is relative stability at the level of types of welfare states.

Weighing all the evidence we thus conclude by claiming that the Nordic welfare states are still distinct. Resting our secondary analysis on individual analyses carried out from a common framework to consider divergence and convergence, there is a bulk of empirical evidence supporting the notion that the Nordic countries at the end of the 1990s still had a distinct welfare state model. The characteristic features of universalism and relatively generous or good quality social insurance benefits and public service production, combined with a more tax-based financing model, used to be and have remained distinct for the Nordic countries' welfare policies. For instance, whereas the United Kingdom in some respects shares the emphasis on universal coverage, the scope and size of benefits are generally much smaller. Germany and the Netherlands, in contrast, sometimes offer more generous cash transfers to middle to higher income groups than the Nordic countries. But their coverage is more selective and the redistribution strategy is not guided by an egalitarian principle as in the Nordic countries, but rather by a merit principle according to which benefits reflect people's work record and occupational status, which results in selective coverage. And whereas Germany and the Netherlands may be heavy on transfers, they are light on publicly guaranteed service provision.

Moreover, variety in the institutional features of social policies was reflected in the economic and social situation of various groups. Women and lower income groups were most notably better-off in the Nordic countries, as illustrated in a number of analyses. Gender equality was much more pronounced in the Nordic countries. In fact, in this respect we saw positive progress in all countries, but this also meant that the disparities between them did not narrow. In terms of income inequality the Nordic

countries all had less pronounced differences in disposable equivalent income, and lower poverty rates for typically vulnerable groups.

Interestingly, actual changes seem not only fuelled by demands arising from globalisation and Europeanisation, but also, and probably more so, by endogenous challenges such as demands of (young) women for greater emancipation and opportunities to reconcile work with family, and by ageing populations. The latter, in particular, places the issue of promoting employment among people of working age high on national political agendas. Whereas male employment is more or less the same across Western Europe, there is great variation in women's participation in the formal labour market. The record high employment rates among Nordic women are partly attributed to the Nordic welfare model that functions both as an employer of women and a facilitator of a (nearly) uninterrupted work career whilst having children. Social services for children and the elderly are therefore one feature that some non-Nordic countries are slowly - and perhaps surely - starting to import, albeit adopted to their specific cultural values, political struggles and economic potentials. The Nordic welfare model is thus a sustainable idea, and in some respects even a popular one, for instance in response to calls for more employed, whereby women are not obliged to stay long periods out of the labour market to care for small, sick or elderly dependants. Hence, in some areas developments in the EU are moving in a Nordic direction.

In broad terms, and weighing our empirical evidence on variation and trends, the countries examined thus seemed to follow 'model-specific' routes, also referred to as path dependency. Based on the analysis of two decades of changes we therefore find it unlikely that the Nordic countries will give up their distinct social policy model, or that others will adopt the same type and scope of policies prevalent in the Nordic countries. Therefore, some (new) version of the Nordic welfare model may well continue to be distinct – the Nordic welfare states are certainly not facing their immediate demise.

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² Within the limits set by an article's length we cannot here show how different studies approached and answered the questions concerning distinctiveness and convergence, nor address questions concerning the magnitude of changes. We therefore need to forward the reader to the original studies on such issues.