



# JOURNAL OF SOCIAL AND HUMANITIES SCIENCES RESEARCH



2018

Vol:5 / Issue:18

pp.343-356

Economics and Administration, Tourism and Tourism Management, History, Culture, Religion, Psychology, Sociology, Fine Arts, Engineering, Architecture, Language, Literature, Educational Sciences, Pedagogy & Other Disciplines

Article Arrival Date (Makale Geliş Tarihi) 28/01/2018

The Published Rel. Date (Makale Yayın Kabul Tarihi) 10/03/2018

**The Published Date (Yayınlanma Tarihi) 11.03.2018**

## NEO-LIBERAL PUBLIC PROVISIONS IN NORDIC COUNTRIES: CASE OF SENIOR HOUSING SERVICES

## İSKANDİNAV ÜLKELERİNDE NEO-LİBERAL KAMU HİZMETLERİ: YAŞLI BAKIM EVLERİ ÖRNEĞİ

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### ABSTRACT

The subject of this research is the assessment for approaches, reflections and mentalities of neo-liberal public provisions in Nordic countries over the case of senior housing services. The research problematizes conceptual and functional effectiveness of public provisions in Nordic countries regarding senior housing services. This research will also aim at contributing to the literature and the scholarship on senior care-work in the context of changing welfare-state arrangements in the Nordic countries' care-work regimes. Following findings and discussion in the framework of the aims of the study, it will be finalized by making some recommendations in line with the conclusions. In the context of on-going societal transformations involving neoliberal reforms and long-term demographic developments, Nordic care regimes suffer a particularly severe deficit of care labor while the Nordic region constitutes an increasingly attractive region in the context of global mobility. Accordingly, care work organization needs to be examined in specific localities, taking into consideration both the travel of ideas and the activities of the people with whom they travel the reshaping of practices and the experiences of people affected. This study tries to call attention to the role of neo-liberal policies related with the globalization in the changing Nordic care regimes, but not as a deterministic force that transforms the different local regimes according to one model that reflects globalization. Our aim is not to emphasize the unavoidability of convergence or to celebrate divergence. Instead, the neo-liberalism with glocalisation argument calls attention to the fact that the characteristics of the social embeddedness of care work regimes are not fixed. In this vein, we argue that the impact of neo-liberal public provisions on care work regimes related with senior housing services may be best understood if we consider neo-liberalism as a dynamic mix of convergence and divergence.

**Key Words:** Neo-liberalism, public provision, Nordic countries, senior housing services.

### ÖZ

Bu araştırmanın konusu, İskandinav ülkelerindeki neo-liberal kamu hizmetlerini, yaşlı bakım evleri örneği üzerinden yaklaşım, etki ve zihniyetler bağlamında değerlendirmektir. Bu çalışmanın problematiği, İskandinav ülkelerindeki yaşlı bakım ve yerleşimi konusundaki kamu hizmetlerinin kavramsal ve fonksiyonel etkinliğidir. Bu araştırma, aynı zamanda İskandinav ülkelerinin bakım rejimleri bağlamında refah-devleti düzenlemelerindeki değişiklik ve ilerlemelere yönelik olarak yaşlı bakımı ile ilgili literatür ve eğitsel donatıya katkıda bulunmayı hedeflemektedir. Konuyla ilgili bulgu ve tartışma sonrası, çalışma sonuç ve teklifler belirtilerek sonuçlandırılacaktır. Uzun dönemli demografik gelişmeler ve neo-liberal reformları içeren ve devamlılık arz eden toplumsal dönüşümler çerçevesinde, İskandinav bakım rejimleri bir yandan İskandina bölgesi küresel hareketlilik bağlamında artan bir bölgesel cazibe sunarken, öte yandan bakım hizmetlerindeki iş gücü kapasitesi açısından büyük bir açık yaşamaktadır. Bununla uyumlu şekilde, bakım iş gücü organizasyonu belirli bölgelerde incelenmeye muhtaçtır ve bu da, gerek kişilerin kimlerle seyahat ettiği ve bu fikirlerini ne şekilde revize ettikleri, gerekse kişilerin seyahat aktivitelerinin çapını dikkate alarak yapılmalıdır. Bu çalışma, küreselleşmeyle ilintili olarak değişen İskandinav bakım sistemleri hakkındaki neo-liberal siyasaların rolüne dikkat çekmektedir. Ancak bunu, küreselleşmeyi yansıtan bir model bağlamında farklı yerel rejimleri dönüştüren deterministic bir güç olarak yapmaz. Bu çalışmada amacımız, değişimin eksikliğini vurgulamak ya da farklılığı kutlamak değildir. Bunun yerine, küreselleşme argümanı ile yola çıkan neo-liberalizmin, bakım-hizmeti rejimlerinin sosyal benimsine ve içermeye özelliklerini standartlaştıramadığına dikkat çekmektedir. Bu bağlamda, bu çalışmada, yerleşik ve yerinde yaşlı bakımı ile ilgili bakım rejimlerine yönelik neo-liberal kamu hizmetlerinin etkilerinin, ancak neo-liberalizmi değişim ve dönüşümün dinamik bir karışımı olarak ele aldığımızda en iyi şekilde anlaşılacağı tartışılmıştır.

**Anahtar Kelimeler:** Neo-liberalism, kamu hizmeti, İskandinav ülkeleri, yaşlı bakım evleri hizmeti.

*“In a Scandinavian perspective there is also a strong foundation on which to develop a wider overall perspective of housing and care for the elderly.”*

(Nordic Welfare Centre, 2013: 55)

## 1. INTRODUCTION

In this research, we will discuss how neoliberalism and public provisions affected by that has influenced senior housing services in the Nordic countries. Therefore, at first neoliberal reforms will be analyzed in line with the significance of neoliberalism and in accordance with state, market and society from a historical perspective. For the empirical inquiry, we distinguish between two indicators of neoliberal reforms. First, neoliberalism implies that the organizational boundaries between the public and the private sector should be changed, and that the public sector should become as much like the private sector as possible. Therefore, privatization represents an important neoliberal value. Second, neoliberalism implies the use of market logic within the public sector (Mydske and Lie, 2009: 1).

There has been much political and academic debate about how neoliberalism affects political steering, the organization of political processes and the balance between the public and the private sector (Saad-Filho and Johnston, 2005; Hagen, 2006; Leitner, 2007; Thorsen and Lie, 2007a and b; Mydske, et al. 2007). Historically, where to draw the line between the public and the private sector has been a major issue dividing political parties in several countries, expressed mainly along a left-right dimension (Narud and Valen, 2007).

Thus the research will try to call attention to the role of neo-liberal policies related with the globalization in the changing Nordic care regimes, but not as a deterministic force that transforms the different local regimes according to one model that reflects globalization. Our aim is not to emphasize the unavoidability of convergence or to celebrate divergence. Instead, the neo-liberalism with glocalisation argument calls attention to the fact that the characteristics of the social embeddedness of care work regimes are not fixed. In this vein, we argue that the impact of neo-liberal public provisions on care work regimes related with senior housing services may be best understood if we consider neo-liberalism as a dynamic mix of convergence and divergence (Saltman, 1997).

## 2. CONCEPTUAL EXPLANATIONS: FROM IDEOLOGY TO SOCIETAL CHANGES

We should at first drive on the parameters and motivations behind how one explains the observed neoliberalism-based reforms and changes? It is distinguished between several types of results. First, one could have broad and general results, such as more or less political steering and democratic control or more or less efficiency. Second, one could have variations in results between sectors. Third, one could also have variations in results between levels. Fourth, as concerns explanations one would distinguish between explanations rooted in ideology and in the reform programs themselves, and those based on economic or technological considerations, societal changes and international developments (Mydske and Lie, 2009: 13).

First, political ideology represents an important motivation for reforms. What is a political ideology; *“By ideology we mean a relatively systematic perception of how the world is, how it should be, and how the latter can be accomplished.”* (Østerud, et al. 2003: 169) Neoliberalism represents a political ideology that has implications for the boundaries between the state and society as well as the organization of political-administrative processes; *“Neoliberalism is the current ideology and policy programme that would further transform societies towards economic life characterized by market domination.”* (MacEwan, 2005: 172)

The political and ideological debate about the state versus the private market has been going on for the last fifty or sixty years - both in the Western world in general and in Sweden (Shonfield, 1965; Lindbeck, 1971; Bornstein, 1975; Ryan, 1993; Shearmur, 1996) The question is to what degree ideology transcends the boundaries of rhetoric. Neoliberal ideology may be drawn from programs of administrative reforms that have been internationally diffused and channeled through political decisions. The OECD, for example, has contributed to the spread of neoliberal reform ideas, which have affected reform solutions in several countries, including Sweden (OECD, 2002). But neoliberal ideology may also come from the national political and administrative leadership (Mydske, et al. 2007).

Reform programs are the pillar of conceptual way on the reformation thinking. The reforms that have been implemented in the public sector were generated both by special government programs with ideological components and by continuous administrative modernization programs more or less independent of political complexion and ideology. An important feature of these reform programs is that similar programs have been pursued by cabinets with different constellations of parties; *“Ideology’ seems to be less important than*

*pragmatism and consensus... In contrast to reforms in earlier years, the initiatives have been launched through more comprehensive reform programs. All the same, they have remained a loose collection of ongoing reform initiatives and new reform ideas, rather than a coordinated and unified plan (by a series of governments) to change public administration.*" (Christensen, et al. 2007: 129)

Economy is another significant pillar for conceptual explanations for reform activities. Reforms that aim to reduce the volume of public tasks and expenditure may also simply be economically motivated (Christensen and Lægveid, 2001; 2007). Economic motives also lend themselves well as a myth for political and administrative leaders to justify implementing neoliberal reforms and to gain support for more radical reforms. Politicians and administrative leaders may argue that neoliberal reforms, both privatization and the use of more market logic within the public sector, are necessary to ensure a healthy public sector. The leaders may then present neoliberal reforms as the only possible solution; "*Many NPM [New Public Management] reforms have been initiated by defining a crisis, for example that the economic situation is terrible, the public administration is inefficient or people are dissatisfied with public services.*" (Christensen, et al. 2007: 171)

Economy is an important pillar as well. A reduction of public responsibility in some fields may also be seen as a result of changes in the society and the population. An increasing level of education and welfare may result in more autonomous attitudes towards public guardianship or regency. Hellevik and Knutsen (2007) show that neoliberalism has come to occupy an important place on the electoral agenda in Nordic countries, such as Norway and Sweden.

As the last item to pave the way, neoliberal changes and reforms may, of course, also be motivated by international factors. Globalization and internationalization affect the organization of a state, the level at which public decision making processes take place, and how much latitude a state has to make decisions (Østerud, 1999; Peters and Pierre, 2004; Hveem and Østerud, 2007). Sweden is part of an international network, which determines national policies and politics, such as trade, labor markets, food safety issues and environmental protection in different ways and to different degrees (Mydske and Lie, 2009: 17).

We try to put forth some variations in the impact of neoliberalism so far. Comparing the different levels, neoliberalism is more explicit at the leadership level than among citizens and the voters. This may have to do with political culture, which it is easier to change at the level of leadership than among citizens and the voters. This indicates that political leaders not only represent voters but also act as opinion leaders, an indication that neoliberal reform follows a "top-down" logic (Mydske, et al. 2007).

### 3. FINDINGS AND DISCUSSION

#### 3.1 Neoliberal Reforms: State, Market and Society

In this section, we will examine new capitalism vs. new public administration in accordance with new-fledged challenges, progress and opportunities. With the effect of capitalist crisis occurred in the 1970s, public administration approach which stems from market-rooted rules and mechanisms aiming at guidance state management had been more powerful by the start of 1990s when centrally-planned economies collapsed. These rules and mechanisms, without any robust resistance and reservation, guided governmental policies in many European countries including Sweden (Assche and Dierickx, 2007: 30).

How is neoliberalism connected to liberalism? One understanding is that neoliberalism is a revitalization of liberalism; "*It suggests, in other words, that liberalism has undergone a process of initial growth, intermediary decline and finally a recent rejuvenation.*" (Thorsen and Lie, 2007b: 2) A second understanding, and the one we subscribe to, is that neoliberalism deviates from liberalism and is therefore not simply revitalization of an earlier concept; "*Neoliberalism could therefore scarcely be understood as the recovery of a lost tradition of liberal, political thought.*" (Thorsen and Lie, 2007b: 3) Following Harvey (2005: 2) the concept of neoliberalism is quite similar to the concept of economic liberalism. In a neoliberal society the state operates as a modest regulator only securing "*...private property rights, free markets, and free trade*". State institutions, such as the police and the military, represent core and limited functions of the neoliberal state (March and Olsen, 1989).

First of all, neoliberalism implies that the organizational boundaries between the public and the private sector should be changed, and that the public sector should become as much like the private sector as possible (Mydske, et al. 2007). Privatization represents an important neoliberal value, and means that the private market controls the funding, the production infrastructure and the provision of services. However, more

frequently, the private sector provides services, while the public sector is responsible for funding and the production infrastructure (Kristensen, 1984). Therefore, the only purpose of the state, from a neoliberal perspective, is to protect private property rights and individual liberty (Friedman, 1962; Nozick, 1974; Hayek, 1979; Harvey, 2005). Second, neoliberalism implies the use of market logic within the public sector. In many countries this latter option was favored over privatization. The introduction of New Public Management (NPM) changed the organization of the public sector (Boston, et al. 1996; Boston and Eicbaum, 2005; Gregory, 2006). For example, New Zealand introduced a distinction between 'commercial and non-commercial activities' (Shaw and Eicbaum, 2008: 104) and a separation of 'funder, purchaser and provider roles' (Shaw and Eicbaum, 2008: 105).

By the effect of economic crisis exposed, various political and economic theories (such as institutional school of business, public administration, and transaction cost theory) had supported theoretical base to political and ideological assaults against public sector as well as particularly public bureaucracy (Svensson and Hamilton, 1984: 372; Svensson and Persson, 1984: 390). Fundamental notions and values such as public benefit of traditional public administration will particularly pave the way to the approach of new public administration. And also approach of traditional public servicing yielded to understanding of market-oriented service when market-rooted alternative values and notions became a kind of 'eye-of-the-apple' (Granberg, 2008: 367-369).

In 1991, we observe all around the world many public reforms getting its force from the new local government law established in 1985. Like the entire world, welfare state policies in Sweden as well started to be criticized and it is observed that these policies began to transform in line with the 'new capitalism'. Thus responsibilities and resources have been distributed in order to eliminate critics against public administration and make public sector relatively effective with the reforms established during that era. In this vein, authority and responsibilities of the central administration had been reviewed. With the effect of local administration law prepared in 1991, authority and charges between local and central administrations had been separated. By this effect of the new law, authority had been conveyed from central to the local governments as much as possible, as well as those separated with private sector in the local (Page, 1991: 64-65). The public sector is an instrument for the political leadership to achieve public goals (Christensen, et al. 2007). Where the boundaries lie between the public and the private sector thus determines how important the public sector is as an instrument (Mydske, et al. 2007).

New judicial arrangements made it possible for the committees to convey doing-things in the public services to private sector, signing private law agreements (Page, 1991: 56). However, while public services are being conducted by private sector, the private sector prefers making fiscal profit from public service despite of preserving the interest of public benefit. So the public services will have been commercialized, and this will be the most important conclusion of conducting public services by the private sector.

Since 1980 so far, understanding of new public management and new capitalist policies have been significantly effective regarding the examination of how the restructuring of the State and transformation process of conducting public service (Greve, 2002). By this view, reformation of state organization with the new capitalist policies has been also explained via "problems seen in the organizational process of conducting services", "problems of effectiveness-cost relation" or "technological developments". Those issues were valid also in the conduct of public services (Ataay, 2005: 27). By this view, Ataay (2005: 30) claims that public administration which new capitalism wishes to transform is under the effect of an "unmanageable crisis".

According to this approach, interference of the State to economic life is not effective and this causes decrease in the service quality as well as resource waste. In order to eliminate this situation, the State should be limited as much as possible regarding concerning itself with the economic works (Torfin, 2007: 83). In accordance with this view, on which new capitalism and new public administration keen significantly, market mechanism could be widened only by the constricting state interferences on economy. By this way, public benefit could be accomplished as required by the help of increasing efficiency and quality of public services, decreasing costs and thus providing most maximum participation of service users (Torfin, 2007: 85). So that, "regulating state" is defined as the new name of the State whose role was estimated by new capitalist policies (Ataay, 2005: 33). However, from a neoliberal perspective, the private sector should take a bigger role than the public sector. However, regulation seems to be necessary to avoid price fixing and monopolies (Mydske and Lie, 2009: 6). According to Harvey (2005: 66), neoliberals tend to favor



governance by experts and elites because they expect it to be more stable and independent of political fluctuations.

In the 1980s, companies were accepted as the motors of progress. Since new capitalism adopted company culture suitable for compatibility, it began to transform social and political structures in this line of culture (Torfin, 2007: 89). Public-private partnership has been supported by the new capitalism and then caused to develop a new form of subcontracting between administrative institutions and companies (Lundquist, 2007: 163; Meier and O'Toole, 2011). By this approach, new capitalism tried to adopt whole economic, political and social formations to competition, which was seen by the new capitalism as the source of all favors (Lundquist, 2007: 167). "Challenge" and "competition" are the key notions of the new capitalist public administration. Thus according to new capitalism, State itself is in competition and challenge with the other States. Because new capitalism forms its public management over competition approach (Lundquist, 2007: 163, 170). By this view, it is important on the one hand to form competitive markets in the trade field while on the other hand to expose public activities to interventions of competition notion (Sehested, 2007: 215). In producing public services and serving of them, new capitalism creates new forms of entrepreneur/manager combinations in the local level which encourages public/private partnership (Dardot and Laval, 2014; Torfin, 2007; Güler, 2005). Eventually we can emphasize this clear-crystal situation that making profit from service will be a priority option if public service will be achieved by private sector (Karahanoğulları, 2004: 285-287). By this view, the first form of new capitalist policies in posing efforts to commercialize public services would be transform various services into market activity while once they had been in the public service status (Karasu, 2009: 119-120).

#### **4. INSTITUTIONAL REPRODUCTION OF SENIOR HOUSING PROVISION IN NORDIC COUNTRIES**

This section will mainly consist of the analysis of institutional reproduction by considering housing policy changes for senior housing production in Sweden. The first sub-part of this section uses a literature review to inquire the deregulation of national governance to local governance. In addition, it analysis recent literature including retrenchment process in housing policies after 1980 considering public housing is one of the main pillar of Swedish welfare regime. The second sub-part of this section analysis a senior housing provision project example that was attempted to be enabled by public private partnership on local level. The aim of this section is to discuss the result of the whether or not it is a public good to benefit community.

##### **4.1 Social Democratic Welfare Regime and Public Housing Systems**

Before discussing the links between public housing and welfare regime, the descriptions of welfare state regimes need to be considered. Esping-Andersen (1990: 21), in his published book *Three Worlds of Welfare Capitalism*, divides welfare states into three distinctive categories of 'conservative', 'liberal' and 'social democratic' in relation to their different historical forces and their different developmental trajectories. Arts and Gelissen (2002: 141) interprets the findings of Andersen as the development of welfare regime links to historical characteristics of states, the formation of a stratified society, the structure of a class-political movement and a historical process of government.

The Liberal Welfare Regimes are defined as a closely liberalized labor market incorporating various manufacturing opportunities. The role of the market, especially in the pensions system, means that the system also produces high levels of stratification. It is claimed that the US, Canada, Australia and the UK are in this type of regime. The Conservative/Corporatist Welfare Regimes includes coordination among economic interest groups, the government and the Church. The individuals take part in the organizations where agents of employers, trade unions and governments attended (Stephens and Fitzpatrick, 2007: 203). There is more difference among wages of laborers in conservative structures rather than in social democratic structures. A social democratic structure includes a more redistributive social insurance system (Stephens and Fitzpatrick, 2007: 203-204). Germany, France and Italy are archetypal conservative regimes. Esping-Andersen (1990) did not deal with the southern European countries, which may be characterized as follows:

The Rudimentary Welfare Regimes were dubbed 'rudimentary' by Liebfried (1992) for the Mediterranean countries (i.e. Greece, Spain and Portugal). Gough (2001; Iguarán, 2011) added Turkey in the rudimentary assistance regime. Turkey can be demonstrated into the classifications of informal-security regime or informal- conservative regime due to including employment rates. As Lennartz (2011: 344) cited in his paper, Liebfried (1992) and Ferrera (1996) mention there is another type of welfare regime based on family structure commonly found in Mediterranean countries and named a rudimentary welfare regime. As cited in

Iguarán's research (2011: 6), for Ferrara (1996) in the southern European model “...welfare rights are not embedded in an open, universalistic, political culture and a solid, Weberian state impartial in the administration of its own rules”.

The Social Democratic Welfare Regimes have some similarities with the conservative regime. By means of taxes provided from full employment of males and females, public services work efficiently and there is no need to facilitate private options (Stephens and Fitzpatrick, 2007: 203). Increasing employment opportunities and training bring individuals jobs and social insurance support to unemployed individuals. These are some of the components of this welfare regime. When as many people as possible have a job, then it is possible to maintain such a high-level solidaristic welfare system (Arts and Gelissen, 2002: 142).

Sweden has social democratic welfare regime. The country shaped housing policy regime after the Second World War and set limits to private renting to avoid negative effects of market prices from their citizens. By the help of supporting affordable housing to citizens, the country developed different kinds of tenure (Ruonavaara, 1992: 4). According to Ruonavaara's study (1992) welfare state regimes aim to provide a decent standard of housing to all citizens. Sweden implemented a balanced housing policy that integrated renting and home ownership (Lujanen, 2004: 15-17). There are four basic types of tenure in the Sweden: direct ownership, indirect ownership, cooperative housing, private housing and renting social/public housing.

- ✓ Direct ownership: Owner occupation of detached housing.
- ✓ Indirect ownership: Ownership of housing in which the building or property is owned by a legal entity of which residents are members or joint owners.
- ✓ Private renting: Rented dwellings owned by private landlords.
- ✓ Renting social/public housing: Housing owned by the public or non-profit housing companies controlled by local authorities (Andersen, 2012: 19-20).

Ruonavaara (2006; 2008) and Andersen (2012) discussed the division of tenure in the Nordic countries in their research (see Figures 4 and 5).

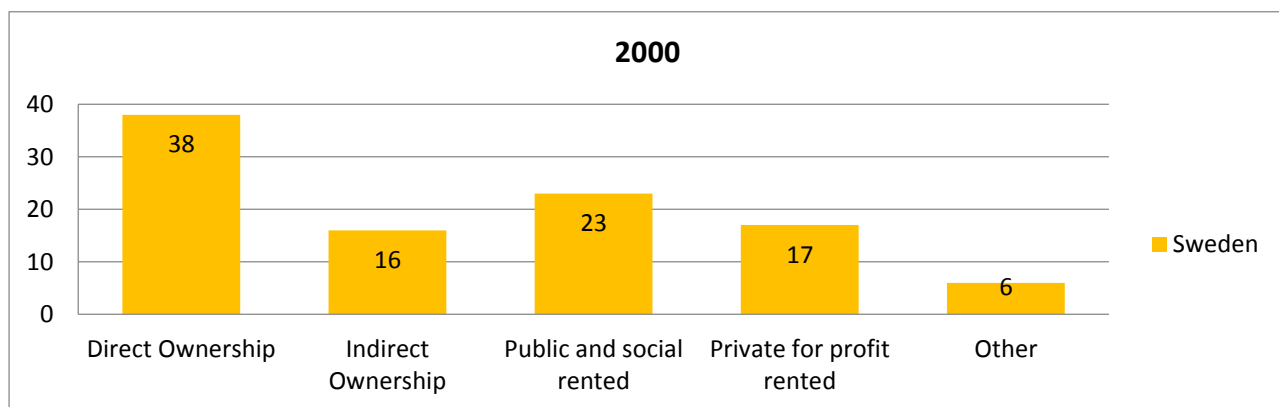


Figure 4: Distribution of housing tenure in the Nordic countries in 2000 (adapted from the study of Ruonavaara (2006; 2008).

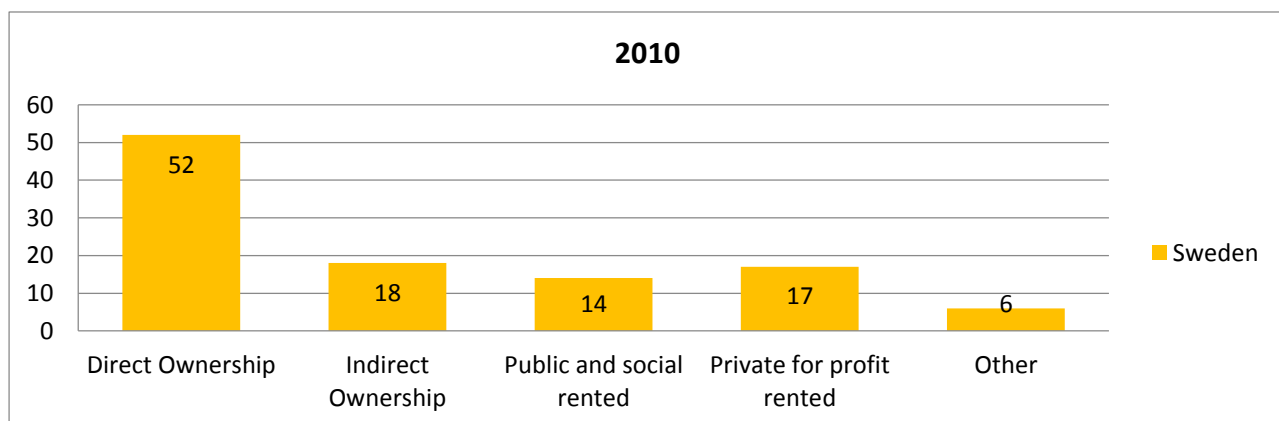


Figure 5: Distribution of housing tenure in 2010 (adapted from the study of Andersen (2012: 17)

The most interesting trend as shown in Figure 1 and 2 is that direct ownership in Sweden has a rapid growth while there is a remarkable drop in public renting in the last decade. Also, there is a decline in public and social rented housing (see Figure 1 and 2).

#### 4.2 Actors in Housing

The actors contributing to Nordic housing policies and production briefly are: the state, municipalities, private landlords, private companies, landowners, non-profit associations, and public-private partnerships. Different from the other cases, with the Norwegian case, the Norwegian State Housing Bank and their partnerships are the main actors in the housing sector.

Municipalities in the Nordic countries are substantial landowners dating back to the beginning of the city development period when kings granted land areas. Then, municipalities developed plans and policies for lands (Lujanen, 2004: 46). In general terms, the state is responsible for legislation including land ownership principles and also planning and construction rules. Also, the state determines the tenure form for housing, rent conditions, tenant participation, tender principles and the rights of consumers (see Figure 6) (Lujanen, 2004: 44).



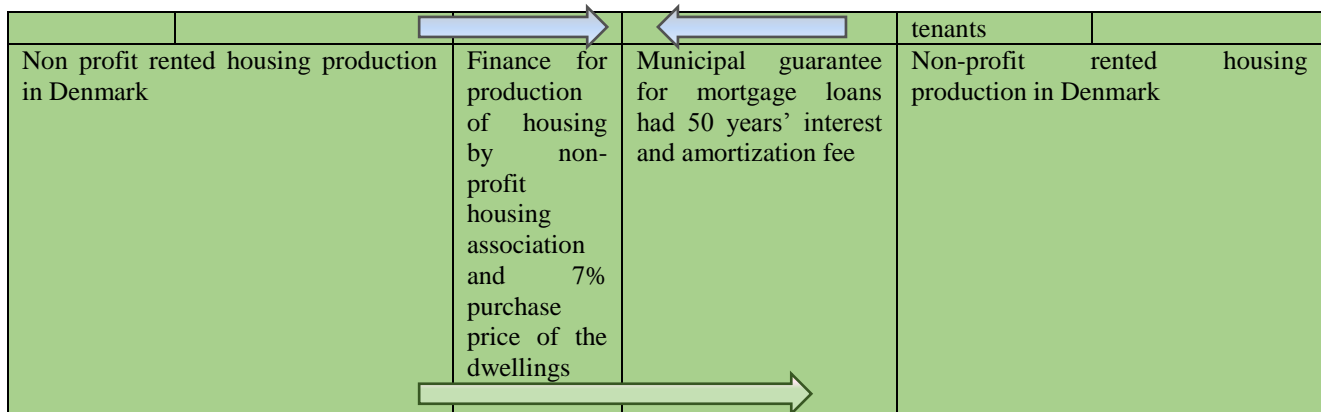
Figure 6: Roles of state, municipality, private sector and non-profit associations for housing production in the Nordic countries.

Source: Adapted from the research of Lujanen (2004: 43-45).

Municipalities implement land use planning, infrastructure projects, development of land, construction, financial issues and conduct the management issues of their own construction companies. These companies were set up to supply public housing in the past. Then they had the private ownership of housing after they constructed dwellings (Lujanen, 2004: 51). There are some examples in the table for public housing production in the Nordic countries.

Table 1: Process of public housing production in the Nordic countries.

LAND	INFRASTRUCTURE	SITE PLAN	DEVELOPMENT CONSTRUCTION	OWNERSHIP	MANAGEMENT
Municipal Land	Municipality	Site plan belongs to municipality, development and construction belong to private company only if:		Municipality	Municipality
An example for public/private partnership in Norway and Sweden		Construction and infrastructure cost belong to private company that won tender competition Municipality and municipally owned construction company pay annual leasing fees during for 25 years		An example for public/private partnership in Norway and Sweden	
Municipality	Municipality	Municipality	Municipal Construction Organisation	Municipality	Municipality
An example for 5-10 years annual housing provision programme in Finland				An example for 5-10 years annual housing provision programme in Finland	
Municipality	Municipality	Municipality + non-profit housing association	Non-profit housing association	Municipality + non-profit housing association +	Non-profit housing association



It is better to give the information about the proportion of housing stock to highlight the effects of actors in the Nordic housing. The majority of constructed public housing stock belongs to Denmark with 21% while the minority of constructed public housing stock belongs to Norway with 5%. Finland has the second largest public housing stock with 16% which is followed by Sweden with 14%. The reason for the lowest rate of public housing in Norway is the participation of the private sector because the private sector was expected to produce housing stock for low-income people (see Table 1) (Andersen, 2012: 21). Production of public housing stock change and its providers can be seen from the following table.

Table 2: Distribution of rented dwellings in terms of owners for affordable usage.

Sweden	14%	Municipality
Finland	16%	Municipality
Norway	5%	Municipality
	18%	Private owners
Denmark	1%	Municipality
	21%	Non-profit org. (mutually owned by tenants)

Source: Adapted from the research of Lujanen (2004: 49, 52, 53) and Andersen (2012: 21).

In Sweden, the production and management of public housing belong to municipalities and municipal construction organizations. These organizations are one of the main actors in the sector. In the country, municipalities determine land use, tenure division and type of housing, develop site plans and infrastructure (Tähtinen, 2003: 22). In Sweden, according to Hort (2014), after 2010, the municipal housing companies are main actors on the housing market from past to today; although they are not policy actors at the national level. These companies integrated to larger municipal companies by creating an arena partly beyond the local public control. These companies are hidden actors of the risen number of owner-occupied dwellings in metropolitan areas.

In the Nordic countries, in general, the most remarkable change in housing is the production of cooperative housing (indirect home ownership). On the contrary to decline number in production of public housing, there is an increase on the amount of produced co-operative housing that was supplied by governments' benefits and state loans in the last 25 years, these supports made suppliers to be the major actors in housing (Andersen, 2012: 17). In their history, they set up to provide housing for students and elderly. Non-profit organizations in Sweden have been the development and management of co-operative housing since 1920 (Lujanen, 2004: 53-54; Andersen, 2012: 21).

Home ownership has high rates in Sweden (Andersen, 2012: 20). Whitehead (2012: 156) mentions in her research about home ownership that the expected step after private renting. Sweden has the highest of public renting by 22% (Andersen, 2012: 24). Subsidies have been given by governments; particularly subsidies for provision of housing for low-income people directly by government were delivered until 1950s and 1960s when the retrenchment phases started. The direct subsidies switched with housing allowances targeting individuals since 1970s and 1980s. Supply-side subsidies target to producers of housing are given as incentives for private investors to produce affordable housing and enable urban renewal. These incentives are tax credits for low-income people or providing public land to construct affordable housing. Individual subsidies and supported finance target to consumers of housing by giving subsidized savings for home-purchase or mortgage grants for lower-income buyers. Tax supports are tax reduction or tax expenditure vary in terms of housing is regarded as a consumption good or investment good in the countries (Clapham, 2012: 399-400). Individual subsidies were given by governments while given supply side subsidies in Sweden were abolished in 1990s. Detailed information is given by the table 3 below:



Table 3: Governmental subsidies in Sweden

	SWEDEN			
	Ind. sub.	Supply side sub.	Sup. finance	Tax sup.
Owner-occupied	Yes	No	No	Yes
Municipal housing	Yes	No	No	No
Co-operative housing	Yes	No	No	Yes
Private housing	Yes	No	No	No

Source: Adapted from the research of Andersen (2012: 22-26).

According to Bengtsson (2007: 7), local tenants and tenant unions have influenced housing policy in the country. Swedish tenant unions conducted tenant movements that have led to strict regulations in both public and private renting sectors. In Sweden, rent values are determined by the negotiation between the tenant union and the landlords.

### 4.3 Retrenchment Process in Housing

Industrialization, wartime crisis, rapid construction period, deregulation and privatization have all caused structural changes in the housing regime (Bengtsson and Ruonavaara, 2011). In Sweden, retrenchment phases started. Retrenchment means shrinking public involvement in the housing market and regenerating existing stock by considering essential needs (Ruonavaara, 2008: 10). The retrenchment phase is observed in different stages of housing. They are: deregulation of housing policy, abolishment of state control on supply-side subsidies of housing and abolishment of state control on renting. Supply-side subsidies (production support): Subsidies were given to raise the amount of new construction or to afford the costs of renovation to improve quality of existing housing stock (Lujanen, 2004: 314).

Retrenchment phases of housing have remarkable impacts in the Nordic countries where housing is related to their welfare regimes. Some of the Nordic countries have integrated housing policies directly by law in their welfare regimes. In Sweden and Finland, housing policies were the key parts of their welfare policies since 1940 and 1960 respectively. Both of the countries support the public housing sector and the home ownership system. Despite the fact that Sweden deregulated its housing policy in 1980 and reduced the amount of supply side subsidies, the state did not lose its control on renting. Finland did not deregulate neither its housing policy nor its giving of subsidies (Andersen, 2012: 15-17). There has been no change in the control for renting by the state since 1978 (Whitehead, 2012: 184).

On the other hand, housing policy is not a part of the Norwegian welfare regime, and housing is not a social right by law in Denmark and Norway. Municipalities inform people about the ways to access housing but to provide housing is in the hands of the individual. The policy directly provides shelter to homeless people for a few nights in Norway and homeless people are settled in dwellings by law in Denmark (Andersen, 2012: 15-17). State controls on renting were abolished in 1999 except in Oslo. In 2004 state control on renting in the Oslo housing market was abolished as well. Deregulation of housing policy started in the mid-1980s in Norway, and the abolishment of state control on renting occurred in 2009. Denmark completed the deregulation process in early 1990 and the rents are still under state control. Denmark has still maintained state control on renting except for privately rented penthouses since 2004 (Whitehead, 2012: 98). The abolishment of state control resulted in an increase of the prices of rents and houses in the market. Housing prices in all of the Nordic countries hit the highest point in the middle of 2007 (Andersen, 2012: 29) (see Figure 7).

Figure 7: Disposable income and house price growth



## 5. CONCLUSIONS AND RECOMMENDATIONS

The Nordic countries share a tradition of universal, tax-financed eldercare services, centered on public provision. Yet Nordic eldercare has not escaped the influence of the global wave of marketisation in recent

years. Market-inspired measures, such as competitive tendering and user choice models, have been introduced in all Nordic countries, and in some countries, there has been an increase of private, for-profit provision of care services. However, several of the (relatively few) Nordic studies compare public and private services, with the latter only rarely divided between non-profit and for-profit. Fewer studies have examined change over time or have compared municipalities with and without marketised eldercare. Studies usually focus on public expenditure and/or quality for users. Studies of employment and working conditions for care staff are rare, and even rarer are studies of the consequences of marketisation for the public sector more generally and for the distribution of social goods (equality impacts).

A further common trait is a lack of knowledge both regarding the extent of marketisation and even more regarding the consequences for users, workers and the larger society. Despite a tradition of well-developed national statistics on social services, there is no solid data base for monitoring the scale and impact of for-profit provision. Governments in the Nordic countries usually make an effort to evaluate the consequences of significant reforms, but in this case they do not seem to have seriously tried to monitor the intended and unintended consequences of the introduction of competition and choice, and the relatively rapid growth (in three of the four countries) of private, for-profit provision in one or more areas of eldercare (Meagher and Szebehely, 2013: 277, 280).

At the beginning of the 20th century, there were almost 12 million people living in the Scandinavian countries. Today, the population has grown to nearly 26 million. Since 1990 the total number of people has increased by more than 2.6 million inhabitants (11 per cent). The most rapid increase in the population has been Iceland and Norway. By this view, we also see that the numbers of elderly people have increased even faster than the population in general, which has meant that the proportion of older people in Scandinavia has doubled in the last hundred years. Today the proportion of the total population over the age of 65 is 17.5 in the five Scandinavian countries. This is slightly higher than for the whole of the EU (17%). Iceland and Norway have a slightly smaller proportion of old people than the other countries, with 13% aged 65 or older. The proportion is highest in Sweden, at just over 19%. Sweden also has the highest proportion aged 80 and older, at 5.2%.

Older people's health and functional capacity has an important influence on how they live, and vice versa. Illness and reduced function place demands on the design and accessibility of the housing, and affect the need for different types of housing and the need for service, care and nursing in the home, when required. A common factor in the Scandinavian countries is that the great majority of elderly people live in ordinary housing. Even the very oldest live very predominantly in ordinary housing. With certain differences between the countries, around four out of five in the group aged 80 and older in ordinary housing. It has been and remains a guiding principle in the policy for care and housing that people should remain in their own homes. For those who are not able to manage in their own homes, there are special forms of need-assessed housing in all countries. The municipalities have a statutory responsibility for these forms of housing, and are in charge of assessing and deciding about need for them, and in many cases also for the care and nursing provided in them. There are different forms of housing known by different designations. Some are clearly of an institutional nature, while others are more like ordinary private houses.

The effort to enable as many older people as possible to live in ordinary homes has led to an extension of home help and home nursing, and to certain improvements in accessibility through stricter requirements for accessibility in new buildings and adaptation in homes that already exist. A major problem is inadequate accessibility in the existing housing. It has also meant that assessment of the need for the special housing has become more critical, and the number of places has decreased gradually in recent decades. Only those who require considerable care and nursing are now granted places in the forms of housing allocated according to assessment of need.

The differences between ordinary housing and need-assessed housing have thus increased. In consequence, various intermediate forms of housing for elderly people have appeared. These homes often provide more accessibility, security and company than ordinary housing. They are known by different names and are available on the ordinary market for housing. The numbers of places in housing of this type are relatively limited. Only a small percentage of elderly people live in housing of this type. Nevertheless, the number continues to increase in all countries, and new forms are appearing. In addition to the care and nursing provided by the community, a great deal of care is provided especially by relatives, but also by others. A private service sector that provides services on commercial terms is also beginning to appear.

It is decisive for the extent to which elderly people can continue to live in multi-occupancy housing to what

extent the apartment, building and surroundings are adapted to various forms of impairment in function. The number of places in institution-like forms of housing has been drastically reduced in all Scandinavian countries. The great challenge is to improve accessibility in the ordinary housing stock that already exists. One aspect that calls for attention in the discussion of remaining in one's own home is support for the relatives.

In international research and debate, it is stressed with increasing frequency how necessary it is to have an overall planning strategy for society to meet the future needs for housing and care for the elderly. There is a continual discussion about the extent to which we can refer to a common Scandinavian welfare model, since it is not possible to ignore the fact that there are also differences associated with culture and politics.

However, in the last spirit, it is important to emphasize that in a Scandinavian perspective there is also a strong foundation on which to develop a wider overall perspective of housing and care for the elderly, and also in Scandinavia the housing accommodation is relatively modern and accessible, and there is an extensive, regionally based home-help service (NWC, 2013).

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