

Name

Professor's Name

Course

Date

Nordic and Anglo-American Models of Welfare

Introduction

Model of welfare aims at providing minimum levels of social support and well-being for citizens of a given country as well as other eligible residents who don't have sufficient means to support their basic needs. In other words, "welfare state" is a set of interventions that are often organized by the state, and their primary objective is to warranty the provision of the minimum level of services to the citizens through the system of social protection. These systems of social protection have a long history dated back to the end of the 19th century; however, these systems became generalized in different countries such as Europe after the end of Second World War. Any welfare state is established in four main pillars these include free and compulsory primary education, free health treatment, social security as well as social services. This paper provides a comparative assessment of the Nordic and Anglo-American models of welfare. Economic and social systems that feature flexible market structure, as well as efficient public sectors, often experience sustainable and reasonable public finance, a well-functioning market, employment and education standards as well as high economic growth. Anglo-American model broadly fits this mold even though it appears to have some related cost in regard to income equity. On the other hand, Nordic model is characterized with a pronounced emphasis in regards to welfare state policies as well as corresponding high level of public spending. The resulting inefficiencies of this

model economies are counterbalanced by labor flexibility, particularly in financial and product market.

The Nordic Model

The Nordic model also known as social democratic is composed of several distinct elements some of these elements have been constant for a considerable time such include; active state of society which is associated with an all-inclusive public accountability for the well-being and welfare of the citizens. This implies the presence of a large public sector with generous benefits which are fundamentally founded on the principles of egalitarianism and universality. At the same time, the model also comprises of dynamic elements illustrated through different ways and forms through which reforms and social policies are established and implemented. In regards to Nordic model of welfare the local and State government plays a significant role, and thus their role is perceived to be positive. In this model, the State is less of a coercive tool of oppression (Andersen et al. 54). On the other hand, traditionally local government were recognized as legal units governed by literate laymen as opposed to royal perfect or noblemen. In the Nordic model, this role of central state and local government is evident in extensive public employment and services as well as in many taxation-based cash benefits.

Beside, Nordic model of welfare extends the universal social right to the whole population. Cash benefits and services are not only targeted to the have-nots, however, but they are also targeted towards the middle classes. The programs of social security were initiated during the time of economic and political modernization. Traditionally, comparable life chances of poor workers and poor farmers contributed toward acknowledgment of similar social right and risks (Andersen et al. 106). And of such the principle of universalism was established then and implemented after World War II. The other characteristic of Nordic model is in regard to the value of equity that is

“passion for equity.” Nordic model historic inheritance is that of equitable income, class, regional and gender differences.

Anglo-American Model

Anglo-American model refers to the economic model of capitalism. This model of welfare at its most basic level enforces low levels of government regulations and taxes. Besides, this model promotes a somewhat reduced involvement of government in the delivery of public services. At the same time, this model provides greater freedom in regards to business right and private property. The model focuses on making business operation easy to enforce economic growth. This model is founded on the belief that change in terms of development should occur naturally as opposed to sudden change. In regards to that perspective, the interference of the government is perceived as a sudden interruption. This model is more of a free market model which has its history dated back to the 17th century. The founder of this model Adam Smith believed that for effective economic growth to be attained self-regulation is key. This model is believed to encourage entrepreneurship as it makes business operation easier by reducing government involvement. The purported ease of doing business allows organizations to focus more on shareholders' interest instead of employees thus leading to market competition. The competition, on the other hand, fuels innovation which in turn leads to wealth generation.

With this model, there are lower barriers to free trade and has stronger contract right and property right. Besides, there are relatively few regulations in regards to the labor market. The model is based on the evolutionary principle that is a change is not attained by violent and sudden disruption which in turn overthrow the status quo. However, according to this model, a change is attained through a process that allows a consistent and continuous modifications to be incorporated. As of such the system must be tolerant to admit changes and variations. And the

result is often to change one state of affairs into another state of affairs as a result of a series of intermediate steps. And some of these steps are at times imperceptible; however, they cumulatively establish a new reality. Just like with biological evolution economic and social affairs modification can be fast at times. However, the essential principle behind the evolution is small changes that eventually transform citizens' social well-being. The principle of evolution goes a long way to explain why the Anglo-American model of welfare resists tendencies of restricting competition.

With competition economies are more watchful of other costs such as the social cost of employment. Because such make the labor market somehow inflexible. When the cost to employ a person is high, it is less likely for that person to be employed. Even with an economic boom, an organization is less likely to take a new labor in case huge cost is associated with the activity. In regards to trade and tariffs, a number of governments assume a similar nationalistic attitude in regards to their products. And thus, interfering with competition by the use of tariffs and trade barriers (Gould 226). The motive in such moves is to increase the prices of foreign products to deny people choices of products. This implies that this model is more inclined to tariffs favor. Besides, the flexibility of the labor market allows this model to display its distinctive characteristics. The evolutionary principle requires adaptability and flexibility, economies that use this model try to keep their labor market as dynamic as possible.

Conclusion

Nordic model is characterized with high taxes, high level of women participation in the labor market, high level of income redistribution as well as high level of citizens with confidence in their respective public system and high standard of living. On the other hand, the Anglo-American model is characterized by a low level of expenditure on social protection, high level of inequity as well as low level of State spending.

Works Cited

Andersen, Torben M., Bengt Holmström, Seppo Honkapohja, Sixten Korkman, Hans Tson Söderström, and Juhana Vartiainen. "The Nordic model." *Embracing globalization and sharing risks* (2007).

Gould, Bryan. "The Anglo-American Model." *Myths, Politicians, and Money*. Palgrave Macmillan, London, 2013. 220-231.

EditPaper.com