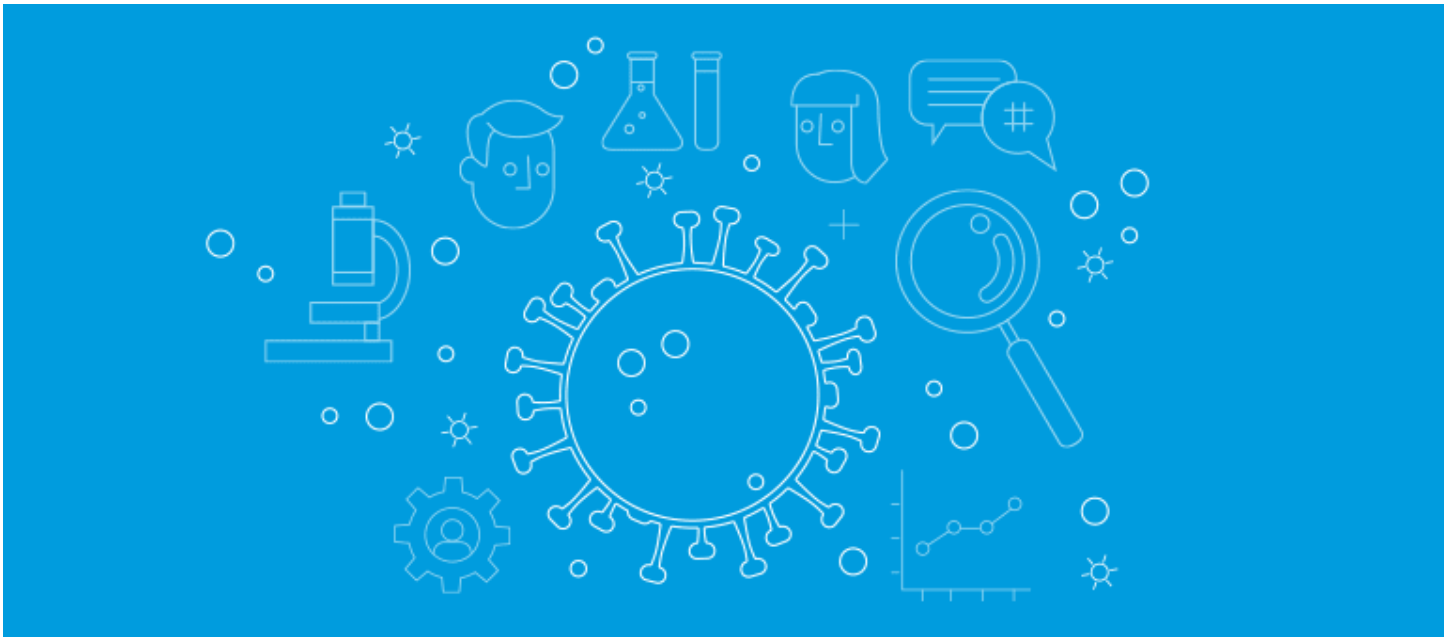
Practicality of the Nordic Economic Model during Covid-19



(Covid-19 Task Force; 2021)

Group: S2227156798
Supervisor: Mirel Tatomir

Basic Project 2
Spring 2022

Isabella Parsbo & Kaja Wittke

Table of Contents

1. Introduction

On 31st December 2019, the first case of Covid-19 got registered in Wuhan, China (*Pillai, S. et al.; 2020*). Only three months later on the 13th March 2020, the World Health Organisation announced the Covid-19 pandemic (*Ibid*). The global outbreak of the Covid-19 virus in March 2020 changed the world and people's lives in terms of all social and societal components. The sudden circumstances and changes demanded immediate government leadings in form of policy implementations and public guidance, which not only stressed the government, societies and countries worldwide but also the countries' economies. Strict social limitations and health restrictions raised worldwide, including keeping distance, limiting social contacts, sanitising hands and homes and more, challenged society and people's moods and patience. It required adaptation to the unexpected circumstances and the unforeseen extent of the pandemic by the societies, while they were, and still are, putting their social lives on pause.

A pandemic of this degree has not existed since 1918 with the breakout of the Spanish flu, where 17 million people succumbed to the consequences of the pandemic *(Bayerischer Rundfunk., 2021)*. Therefore, Covid-19 led many countries to the link of despair, since rapid crisis management and actions in order to stop the spread of the pandemic were demanded. Not only are we still living in a serious global pandemic, but also the social, health, financial and economical consequences are about to follow, meaning partially unpredictable long-term outcomes concerning human life and national economies.

1.1 Approach to the research issue

Our project is focusing on this recent crisis and its handling by the Danish government, since we have made our own experiences concerning the Covid-19 pandemic while living in this country. The proceeding confrontation with the topic led us to investigate the Nordic Model's practicality, since Denmark's (and the Nordic countries') handling of the pandemic was different compared to the rest of Europe. There are also different approaches among the Scandinavian countries, which is why Sweden is included in this project.

1.2 Research Question

How practical was the Nordic Economic Model in Denmark regarding labour market policies, during the Covid-19 precautions?

In order to evaluate the model's practicality in relation to the Covid-19 precautions, the country Sweden is included into the project for reference and comparison purposes. Yet this is not a 50/50 comparison, as the main focus is directed to Denmark.
Since both countries represent the Nordic Economic Model and provide similar welfare programs, it is interesting to look at each country's approach on the issue of Covid-19, as there are wide differences.

1.3 The meaning of "practicality"

Coming up with an appropriate word to evaluate the Nordic Economic Model proved to be quite a challenge. Though practicality can come in many forms, we would like to demonstrate our meaning behind it. The word 'practical' in this project will be defined as the likelihood of succeeding or being effective in a real circumstance, in this case Covid-19. As a result, we have set some parameters clearly defining what we consider to be "successful" and "effective", furthermore indicating practicality. The timeframe of policy implementation will indicate policy makers' decision making abilities in high stress environments. Compensation schemes will demonstrate the masses of government expenditure that went into stabilising the economy. Finally payments will demonstrate the repatriation of employee incomes, provided by the government as aid to the labour force population. Subsequently these parameters support the evaluation of the practicality of the Nordic Economic Model in coming up with precautionary action to the pandemic.

1.4 Scandinavian and Nordic countries

Since we are evaluating the practicality of the Nordic Model, we will generally use the term "Scandinavian countries" and "Nordic countries", since the model is present in these countries.
The description *Nordic countries* stands for the Northern European countries, including Denmark, Finland, Sweden, Norway and Iceland, Greenland, the Faroe Islands and Åland (*Nordic Council of Ministers; 2010*). The term *Scandinavian countries* narrows the number of countries down to only Norway, Sweden and Denmark. Since the project's main focus is on Denmark and Sweden, the term Scandinavian countries will be frequently used.

Under these circumstances, we concluded on these questions for further research:

1. What types of governmental compensation policies were provided during the Covid-19 pandemic in Denmark?

2. How did Sweden introduce and handle policies and restrictions concerning the Covid-19 spread compared to Denmark?

3. How has the Nordic model changed under the impact of Covid-19?

2. Literature Review

2.1 Nordic Welfare System

The project's main focus includes the Nordic Economic Model being present in the Scandinavian countries Denmark, Sweden, Norway (and Finland and Iceland). This economic model contributes to the preponderant good reputation of these countries, since they are known for their fairly distributed social programs among society and progressive health care programs (*Pedersen, A. W. and Kuhnle, S.; 2017*). In order to understand the following research outcomes, the main key points of the Nordic Welfare System will be outlined.

The roots of the development of public welfare states date back to the last quarter of the 19th century *(Ibid*). With Germany being the pioneer in Europe under the rule of Bismarck, introducing the first social insurance legislation in the 1880s (*Hilson, M.; 2020*), other European countries started questing the same standards (*Pedersen, A. W. and Kuhnle, S.; 2017*). Eventually, the Scandinavian countries became influenced by this movement, which led to the development of the Nordic welfare states (*Ibid*). This evolution was embossed by social, economic and political changes during this time span (*Ibid*), namely a general mobilisation of society, including the turn away from conservative establishments by democratic forces and the emergence of new feministic organisations (*Griffin, G. et al.; 2002*).

There were already specific characteristics that distinguished the Nordic projections from the rest of Europe in relation to the development of welfare systems (*Pedersen, A. W. and Kuhnle, S.; 2017*).
This included the uprising responsibility for poor relief by the state and municipalities after the Reformation and the structural as well as cultural values and support of gender equality through progressive women suffrage and female presence in social policy legislation (*Ibid)*. Denmark was the first of the Scandinavian countries introducing social policy expansion by the late 19th century, having Sweden and Norway following, lastly Iceland and Finland (*Ibid*). Generally, the Nordic Welfare States are known for their high level of well-being, low poverty rates and equitably distributed income (*Jing, T.-K. et al. (eds.); 2019*) and social security (*Pedersen, A. W. and Kuhnle, S.; 2017*), although the development process of the different Scandinavian countries was uneven (*Ibid*).

The main ideas of the Nordic model persist of different variables - stateness, universalism and equality *(Pedersen, A. W. and Kuhnle, S.; 2017)*. Stateness describes the active prevalence of state and government in the Scandinavian countries, for instance in welfare arrangements, public services and employment, taxation-based cash benefit schemes *(Jing, T.-K. et al. (eds.); 2019)*. This is an important component when dealing with global crisis, such as the Covid-19 crisis.

Universalism means the "*principle of universal social rights*" (*Pedersen, A. W. and Kuhnle, S.; 2017*), where services and benefit payments are fairly universal to the whole society, no matter their social standards (*Ibid*). This entails access and the right for middle- and high-income classes to claim equal support as people living in poorer circumstances (*Jing, T.-K. et al. (eds.); 2019*) . The system is built on the benefit of all, since "*every citizen is potentially exposed to certain risks*" (*Ibid*). At the same time, administrative costs are being saved, since there is no need for extensive bureaucratic means-testing (*Ibid*). Since the 1970s, the Scandinavian countries set "*universal coverage of old age pensions systems, sickness insurance, medical care, occupational injury insurance, child allowances and parental leave schemes*" (*Ibid*). All Scandinavian countries provide "free" public health care systems and "free" education systems from first grade to graduation on public schools and universities, which is all being financed through high taxation (*Pedersen, A. W. and Kuhnle, S.; 2017*). In the same matter, child and elderly care gets supported by the state as it is provided for free and paid through taxation (*Ibid*). These public care systems enable a good "*work-life balance (for) two -earner famil(ies)*" and thereby motivates "*female labour power to engage in formal employment*" (*Ibid*).

Furthermore, equality plays an important role within the Nordic Welfare System. The Scandinavian countries are infamous for their gender equality within society, since there is a high labour market participation in general and among women (*Ibid*). In addition, the three Scandinavian countries Denmark, Sweden and Norway count to the top five countries providing "*the most equal distribution of disposable household income*" (*Jing, T.-K. et al. (eds.); 2019*).

2.2 Denmark as a welfare state

Denmark is known for its universal approach concerning welfare programs with the basis of "*equality, flexicurity, and involvement of social partners in policy development*" *(Greve, B.; 2018).* Thereby, Denmark was being a pioneer among the Scandinavian countries by introducing social programs and actions as the first, namely a safety net providing *"welfare benefits related to traditional social risks"*, such as *"unemployment, old age, work injury, sickness",* as well as long-term and child care *(Ibid).*
Nowadays, the role of the government in relation to the welfare programs has changed, since the welfare system in Denmark is characterized by a decentralized system (*Ibid*). Even though the beginning of establishing welfare programs and negotiating about the financing and maintenance of them dates back to the mid twentieth century, the focus will be on more recent changes.

Looking at the year 2007, there has been restructuring of the public sector *(Terlizzi, A. (ed.); 2019)* called *"Structural Reform"* (*European Committee of the Region; no date*). The till then existing 14 counties have been reduced to five regions - Region Hovedstaden (Capital Region of Denmark), Region Sjælland (Region Zealand), Region Syddanmark (Region of Southern Denmark), Region Midtjylland (Central Denmark Region), Region Nordjylland (Region Northern Denmark) *(Terlizzi, A.*

(ed.); 2019). Changes in the quantity of municipalities took place as well, reducing the number from 275 to 98 (*Ibid*). The three levels of government are still being constant - central, regional and municipal - and being responsible for different purviews (*European Committee of the Region; no date*).. The distribution of responsibilities among the three unities within the welfare sector are diverse and will be outlined further in the paper.

Welfare programs

In the following, the different welfare programs and their importance in relation to Covid-19 will be outlined.

Health Care

In Denmark, every Danish person and registered immigrant are eligible to free access to public health care *(Vrangbæk, K.; 2021)*. The health care sector is one of the most important sectors within the welfare system and therefore the one claiming the highest costs *(Greve, B.; 2018)*. As mentioned earlier, the purview of the three governmental units is seperated.

Payment Divisions

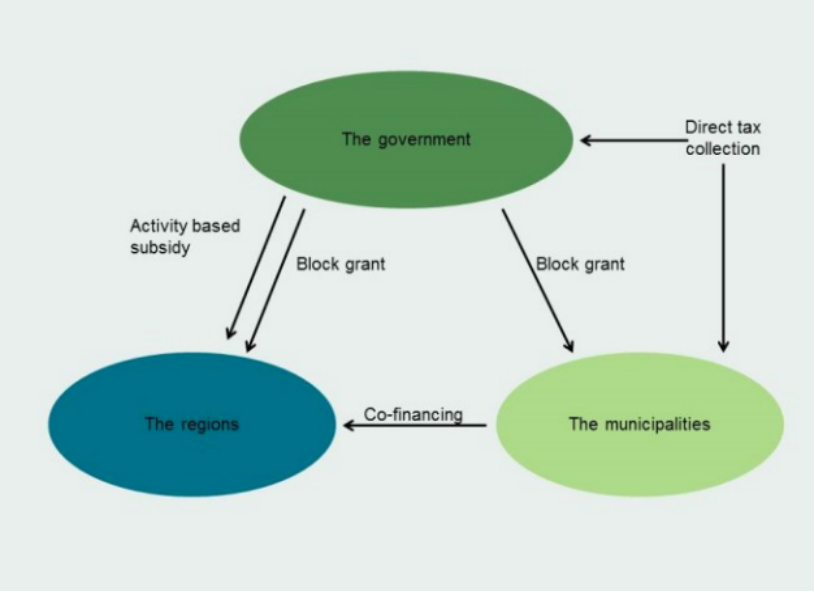


Figure 1: Division of payments in healthcare sector
(*Ministry of health (no date) Healthcaredenmark.dk*)

Around 80% of the healthcare system is financed through national government allocations called block grants, consisting of mainly national income tax, and activity-based financing (*Vrangbæk, K.; 2021*). The national government is in charge of planning the *"regulatory framework for health services"* by *"monitoring care quality, and licensing health care professionals*" *(Ibid)*. There is no direct contact with delivering health care services (*Ibid*). The remaining 20% are financed through the municipalities (*Ibid*). The municipalities' responsibility is focused on the financing and delivery of *"nursing home care, home nurses, health visitors, some dental services, school health services, home help, substance use treatment, public health and health promotion, and general rehabilitation"* (*Ibid*). Furthermore, there are also copayments, such as e.g. household out-of-pocket payments for "outpatient drugs, corrective lenses, hearing aids, dental care, and payments to private specialists and clinics outside the public referral scheme" (*Ibid*).

The five regions *"own, manage, and finance hospitals*", as well as deliver health care services, social care and their coordination (*Ibid*). In 2014, the total health care expenditures have been 10.6% of Denmark's GDP (*Sundhedsministeriet*; no date). With the Covid-19 crisis, the health care sector worldwide was exposed to a new kind of pandemic and new circumstances in modern society. Denmark was one of the first countries implementing "*enacted strict and early government regulations*" - through the first lockdown starting in March 2020 *(Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*). In doing so, the aim was mainly the population's protection of infection *(Ibid)* by relocating the center of vital interest from public places to people's homes *(Lindström, M.; 2020)*. In addition, the government was strived to protect individual's freedom, uphold a stable economic system, keeping infection and death numbers low and avoid the overwhelming of the health care sector *(Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021)*. The latter is extremely important, since it can have a massive impact on the spread of Covid-19 (*Ibid*). With overwhelmed capacities concerning the "*restrictive prioritization systems for testing, […]resources for contact tracing*", the organization of the policies is hard to manage (*Ibid*). *"Overwhelmed systems can also lead to higher case fatality rates because patients cannot receive medically indicated care when demand for physical resources (e.g., mechanical ventilators, […] personal protective equipment) or human resources (e.g., […] nurses) exceeds capacity"* (*Ibid*).
Strong implementations of government policy have proven effective in limiting the pressure on the health care sector, since the lockdown led to shrinking numbers *"of hospitalizations and intensive care patients in Denmark […]" (Pillai, S. et al.; 2020).*

Education

As it already has been mentioned before, the Danish education system is free for students (*Pedersen, A. W. and Kuhnle, S.; 2017*). Not only is higher education free on public schools and universities, since it all gets financed through the State Educational Grant and Loan Scheme, managed by the

public Ministry of Higher Education and Science *(Uddanelses- og Forskningsstyrelsen; no date),* but also students get financial support by the state to cover living expenses through student grants and loans *(Pedersen, A. W. and Kuhnle, S.; 2017)*. The costs of this welfare program are 28,7 billion DKK per year, which equals 1.2% of Denmark's GDP *(Uddanelses- og Forskningsstyrelsen; no date).*

During the pandemic, educational institutions have been closed due to lockdowns in the country more than once (*Lundtofte, T. E.; 2021*). The first lockdown was initiated 11th March 2020, whereafter the institutions closed and first started opening up in the middle of April 2020 (*Ibid*). The first wave with its announced actions and precautions happened very suddenly, which required fast reaction-taking on the new conditions by affected students (*Ibid*). Surveys showed that around 10% of affected households were not prepared or able to install appropriate study conditions during March and April 2020, meaning internet set-ups and computers or laptops for school work (*Ibid*). Nevertheless, the majority of students had good interaction with their teachers and access to online tasks (*Ibid*). Moreover, *"a global survey of 9-13-year-olds in Denmark and 41 other countries revealed that Danish children were a lot less worried about the virus whilst also highly prone to coping via media practices"* (*Ibid*).

The reopening phase was deeply intertwined with Covid-19 safety precautions, such as distancing, the cleaning of surfaces and ventilating of class rooms (*Ibid*). 70.5% of people involved in Danish compulsory education said, *"that the coronavirus had not affected their general sentiment towards going to school, whereas 29.5% felt it had a negative impact" (Ibid)*. Especially teachers had to get used to the new circumstances and the missing daily interaction with their colleagues and obviously students, and were mostly unhappy *"with their own work during the first phase*", meaning March and April 2020 (*Ibid*). Educational institutions remained open during summer and the autumn season, when eventually there happened to be a second lockdown of schools partly around the 7th December 2020 and generally on 21st December 2020, opening around February 2021 for the younger classes, eventually for the older ones as well *(Ibid)*. During this period an "emergency on-site school" was established and day care centres for small children were fully opened, for enabling parents to work *(Ibid)*. Due to the already progressive integration of electronics such as laptops or tablets at Danish schools in comparison to other European schools (e.g. Germany), the lockdowns have mainly been structured and there was a good interconnection between teachers and students.

The Danish Labour Market

The characteristics of the Danish labour market are *"high growth, increasing employment and sharp decline in unemployment" (Hendeliowitz, J.; 2008*), flexibility, active labour market policies in form of "*generous unemployment benefits and the right and obligation to participate in activation measu*re" (*Ibid)*, as well as economic and gender equality and "*involvement of social partners in the*

development" (*Greve, B.; 2018*). The latter targeting on bargaining activities and self-regulation of trade unions and employers' associations, highly represented among the Danish labour market, limiting the role of state intervention *(Rollinski-Sadowska, E.; 2014)*. It consists of three components: employer and labour organisations, as well as the Danish Ministry of Finance doing tripartite agreements (*Tripartite agreement, 2018*). Their task consists of signing and maintaining collective agreements and generally protecting rights of employees *(Rollinski-Sadowska, E.; 2014),* as well as discussing wages and other employee benefits with the employers or employer organisations (Tripartite agreement, 2018). These organisations support job security in Denmark *(Hendeliowitz, J.; 2008*).

Within the Danish labour market, the flexicurity model with its three pillars plays an important role (Humlum, A. and Munch, J. R.; 2019). The first pillar describes that Danish firms can easily dismiss their employees (*Ibid*). This speaks for a *"low degree of job security"*, which is paired with *"high level of employment security" (Hendeliowitz, J.; 2008*) and unemployment benefits (Bredgaard, T. and Madsen, P. K.; 2018). Hence, the Danish labor market records a relatively low average job tenure, meaning the timespan of staying in a job is fairly low (*Humlum, A. and Munch, J. R.; 2019*). Statistically, "25-35% of the Danish workforce change their jobs each year" and an average job duration of eight years *(Hendeliowitz, J.; 2008*) speaks for a high degree of mobility within the labour market.

Labour Force Status

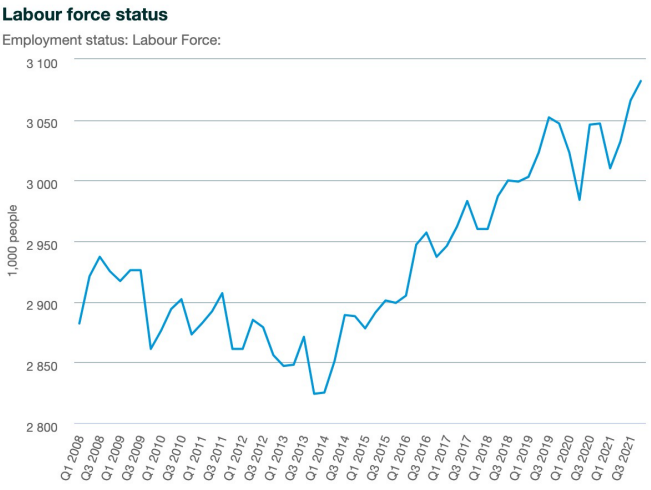


Figure 2: Labour force status in Denmark between 2008-2021

(*Labour market status of the population; no date; Dst.dk*)

This graph shows the employment status in the time frame of Q1 2008 to Q3 2021, measured in 1000 of people. Within the years of 2009-2014, a decline of the labour force status is perceptible, as this was the aftermath of the Global Economic Recession taking place in 2007-2009.
Denmark was in comparison with the EU relatively hard hit by the crisis, especially in relation to the employment situation (*Bredgaard, T. and Madsen, P. K.; 2018)*. The flexicurity principle lost reputation, since Denmark's unemployment rate hit a peak with 7.8% in Q2 of 2012, after being relatively stable and low the years before (*Ibid*). This trend is also reflected in the graph of the employment situation, decreasing steadily after Q3 2008.

On top of that, the Great Recession led the Danish government to regulate the unemployment expenditures, resulting in reduction of the benefit payment duration from four years to two years and the extension of entitlement requirements to receive these payments from 26 weeks of prior employment to 56 in 2010 (*Ibid*). Due to the rapidly increasing cases of unemployment, job centres could not contact and recrute the unemployed in time, which caused chaos and a temporary destabilisation of the labour market (*Bredgaard, T. and Madsen, P. K.; 2018)*. After the crisis, new implemented social policies sought to increase labour supply and provide *"effective employment services"* (*Ibid*). A clear upwards trend from 2014 is visible, which can be explained by economic recovery. The slurp in Q1-Q3 2020 can be associated with the outbreak of the Covid-19 crisis, since the lockdown of companies have led to job cuts or temporary closings of companies, affecting their workers.

The second pillar of flexicurity outlines the unemployment benefits, in form of insurances, social assistance, income support and training programs (*Humlum, A. and Munch, J. R.; 2019*). A high percentage of Denmark's population has a membership within unemployment insurance funds, called "A-kasse" that pays insurance in terms of unemployment, maternity, sickness, etc., called "dagpenge" (*Iversen, T.; 2019*). In case of unemployment, A-kasser can replace wages up to 90% (*Ibid*). There is the possibility to sign up within a “lønsikring“ (salary insurance), offered by the attending a-kasse, which is an insurance on top of unemployment insurance (*Ibid*). Applying for this is very useful when earning a high wage and having many side expenses (*Ibid*). To be entitled to these payments, requirements like being a member of an a-kasse for more than a year, being registered as unemployed in the local job centre, as well as providing a financial record of a sum of 246.924 kr. (as fully employed) / 164.616 kr. (as part-time employed) within the past three years have to be met (*Ibid*). These benefit payments can be paid for two years, within a three year time period (Ibid). Denmark has one of the *"longest* [payment] *durations among OECD countries" (Humlum, A. and Munch, J. R.; 2019)*.

Lastly, the third component of the flexicurity payments are active labour market policies, supporting job-search and improving of skills (*Ibid*). Another requirement to meet unemployment benefits, is the participation of *"private or public job training or enrolment in classroom training" (Ibid)*. Thereby, adults receive education in order to "retool their skillset throughout the working life cycle (*Ibid*). 2.1% of Denmark's GDP were assigned to active labour market measures in 2016 (*Ibid*). As many other countries in the world, Denmark is experiencing demographic changes, since the society ages more and there are less younger people *(Hendeliowitz, J.; 2008*). Due to these challenges, Denmark will presumably raise the pension age to 68 years in 2022 (*Greve, B.; 2018*).

2.3 Sweden as a welfare state

The Swedish welfare state is similar constructed to the Danish welfare state, since both countries follow the Nordic Economic Model and share similar values. The welfare sector demands high spendings and is, as in Denmark too, financed through tax revenues (*Vamstad, J.; 2007*).
In Sweden, the following four objectives play an important role within the welfare system:

1. the public sector is seen as a service provider
2. the provision of an "*obligatory social security insurance tied to the level of involvement in working life*" (*Ibid*)
3. the universal distribution of welfare benefits for the all Swedish citizens
4. "*tested welfare benefits and special efforts aimed at specific marginalized groups in Swedish society*" (*Ibid*).

Furthermore, the welfare sector in Sweden is characterised by "*universalism, equality, strong rights of citizens, and on top of that, high efficiency*" (*Ibid*).

Health Care

The WHO describes the Swedish health care to be easy accessible and of high-quality, since the society's health and general life expectancy is high (*Swedish Institute; 2022*). As well as in Denmark, the responsibility for health care provision in Sweden is decentralised, determined by the Health and Medical Service Act (*Ibid*). This means that either regions or municipal governments are authorised to manage health care, by following the rules and guidelines made by the government (*Ibid*). Sweden is distributed in 21 regions with 290 municipalities (*Ibid*). The provision of elderly and people with physical disabilities and psychological disorders is under the responsibility of the municipalities (*Ibid*).

The spending for health care in 2021 equals ca. 11% of Swedish GDP, where the majority is financed through municipal and regional taxes (*Ibid*). In 2020, 11.5% of GDP went to health care expenditures, since this was the year of the Covid outbreak (*Statistikdatabasen; 2021*).

Education

As it is the case in Denmark, Swedish public schools and universities are free for Swedish citizens and the education system is also financed through tax revenues (*The Swedish school system*; 2021). University students can apply for student grants and or loans that have to be paid back (CSN; 2021). Sweden's expenditures for education equal 7.6% of GDP in 2018 (*TRADING ECONOMICS; no date*). During the Covid -19 crisis, preschools and schools for 6-16-year-olds have remained open, while university students were recommended to social distancing (*Covid-19 in Sweden*; 2022).

The Swedish Labour Market

Active Labour Market Policies in Sweden aim to fulfil the following objectives: "*high employment and low unemployment, facilitating labour productivity and economic growth*", as well as high income and well-being standards (*Oskar, L. H. et al.; 2020*). To ensure these principles, the government provides unemployment assistance and insurance, as well as training programs, to guarantee ongoing education for adults (*Ibid*).

In Sweden, there are two types of insurance - "*a general basic insurance and a voluntary income-loss insurance*" (*Nordic Co-Operation; no date*). The general basic insurance thereby only applies to jobseekers from the age of 20 (*Ibid*). To receive income related benefits, one has to be a member of an unemployment insurance fund for a period of 12 months (*European Commission; no date*). Generally, unemployment benefits are paid for 300 days, in specific circumstances (parenting) an extension of 150 days can be added *(Nordic Co-Operation; no date)*. The amount of benefits for full-time employed within the basic insurance accounts 365SEK per day, for members of an insurance fund 80% of the original salary are refunded within the first 100 days, after that 70% *(Ibid)*. For part-time workers, the benefit payments are adjusted to the working hours *(Ibid)*.

In response to these findings, we developed our hypothesis:

- The Scandinavian countries under the Nordic Economic Model had one of the most practical approaches to Covid-19 in the long run compared to other European countries. By providing benefit payments, stability and a safety net in form of compensation schemes, public economies and the societies overcame this crisis rapidly.

3. Theoretical Background

3.1 Three Basic Pillars of the Nordic Economic Model (Denmark)

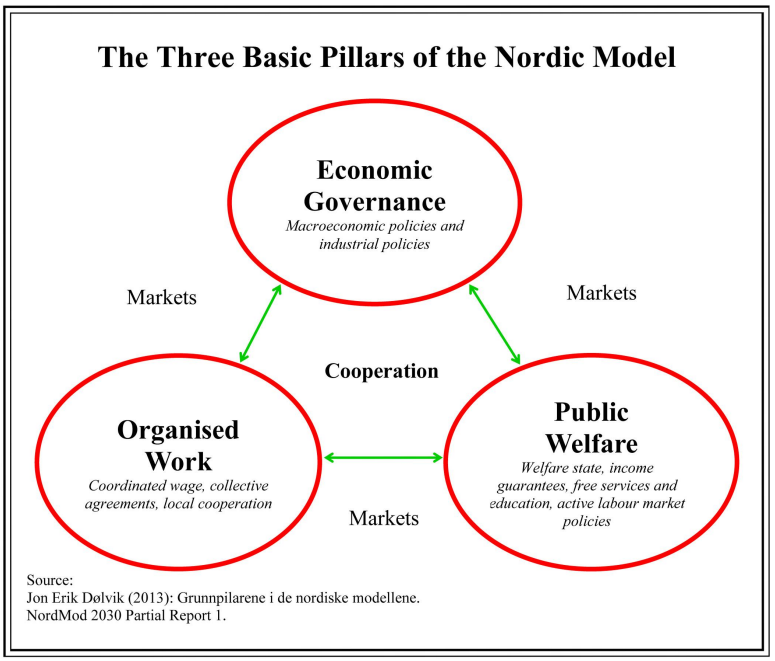


Figure 3: Three Basic Pillar Model
(*Daily Scandinavian, 2017*)

The *Three Pillar Model* will be used to structure both the data collection aspect, and the overall layout of our project. Upon finding this model, we instantly knew that this model would be perfectly fitting into our research design. Evidently the Nordic Economic System is composed in a very unique way in comparison to other societies, particularly in the field of welfare. A fundamental prerequisite of the development of the Nordic model is "*its respect for democratic and trade union rights and freedoms*" *(The Nordic Model - Council of Nordic Trade Unions, 2022)*. This ultimately sparked our interest in analysing both Covid-19 in respect to this model.

These three pillars are interactive, supporting each other "*in a form of symbiosis*" *(Ibid)*. A key component being its tripartite cooperation between trade unions and employer organisations, this provided a strong incentive to focalise on the Danish labour force *(Ibid)*. During times of unease, the Nordic model provided stability, predictability and social peace, formed from collective agreements between all partners of the Danish labour market. These partners being the labour organisations (representing employees), Ministry of Finance (representing the government) and employer organisations. This model has been and continues to be a precondition for building strong and well-functioning welfare states *(Ibid)*.

These are core values present in Denmark both pre-covid and during Covid. Due to the strength of the Nordic bargaining model we will be using the three pillars in relation to the labour force, as further explained below. In the following, the three basic pillars will get linked to the Danish labour market and its policies during the Covid-19 pandemic.

3.2 Economic Governance

This pillar contains the governmental aspects of the '*Nordic Economic Model*', ranging from macroeconomic policies to industrial policies. Economic governance consists of "the institution in which the framework is provided for management of financial crises*" (Zoppe. A, 2021)*. This is the system of procedures established to "*achieve union objectives in the economic field*", specifically economic policies to promote economic and social progress (*Ibid*). Economic governance is evergrowing and developing in terms of coordination and surveillance of macroeconomic policies, and setting up frameworks for financial crisis management *(ibid*).

During Covid-19, not only did we experience a global health crisis, but also a financial recession, beginning on February 20th 2020 (*Fraizer. L, 2021*). This pandemic was taking a severe toll on worldwide economies, consequently leading to stagnation of economic growth, and stock market crashes, resulting in extraordinarily high levels of unemployment and financial unsettlement. Therefore economic governance policies will be presented throughout this pillar, giving insight into the objectives achieved to aid a damaged economy.

With regards to Denmark, since March 2020, several schemes have been adopted from a political standpoint, directing compensation of lost revenues, fixed costs, and repatriation of employee's salaries (*Erhvervsstyrelsen, 2022*). The government proposed numerous schemes whereby businesses could apply through the '*Danish Business Authority'*. This deal was made between the government, trade unions, and employer representation, with a primary focus on preventing laying off staff due to lost revenues. Specifically, this entails a system in which companies can send home staff due to Covid-19 restrictions and will be able to claim compensation from the state so that wages can be paid.

A quote from business minister Mattias Tesfaye states it is "*an agreement that protects both staff and companies, which will be impacted by the restrictions and recommendations*" (*Local and Local, 2022*). However, this compensation only applies to companies that would otherwise have to lay off at least 30% of their workforce or 50 employees (*Winberg. C, 2020*). The leader of the '*Danish Trade Union Confederation*' also claims that "*this provision means that workers in vulnerable sectors can retain their incomes and associations with their employers*" (*ibid*). The following figure shows the forms of compensation schemes offered, and will further aid the analysis of whether they were a '*practical*' aspect of the '*Nordic Economic Model*'.

Compensation Schemes

Compensation scheme	Period	Compensation amount	Decrease in revenue or revenue	Number of employees
Compensation for lost revenue	December 1, 2021 to February 28, 2022	Up to DKK 23,000, 30,000 or 33,000 per month per. business owner with an ownership interest of at least 25%.	30% in the period for which you are seeking compensation, compared to a similar period last year.	Maximum 25 employees
Compensation for lost income	December 1, 2021 to February 28, 2022	Up to DKK 23,000 per month for freelancers with B-income and up to DKK 20,000 per. month for freelancers with mixed income.	30% in the period for which you are seeking compensation, compared to a similar period last year.	Not applicable
Wage compensation	December 10, 2021 to February 15, 2022	Up to DKK 30,000 per month per. full-time employee for payroll expenses.	Not applicable	At least one part-time employee
Wage compensation for companies with a ban on keeping it open	December 10, 2021 to February 7, 2022	Up to DKK 30,000 per month per. full-time employee for payroll expenses.	Not applicable	At least one part-time employee
Compensation for fixed costs with auditor's statement	December 1, 2021 to February 28, 2022	Up to 30 million DKK per month. The amount of compensation will depend on how large the company's revenue loss has been.	30% during the period for which you are seeking compensation.	Not applicable
Compensation for local fixed costs (light)	December 1, 2021 to February 28, 2022	Up to DKK 150,000 per month for 50% of the company's local fixed costs and 100% if the company / parking unit has been prohibited from being open and has not had turnover.	30% during the period for which you are seeking compensation.	Not applicable
Compensation for organizers and smaller venues	December 10, 2021 to February 28, 2022	Up to 30 million DKK per month. The amount of compensation will depend on how large the company's revenue loss has been.	Not applicable	Not applicable

Figure 4: Compensation Schemes provided by the government
(*Erhvervsstyrelsen, 2022*)

These schemes were first introduced in Denmark on March 9th 2020 however, the structure has been updated and adapted on several occasions since then (*ibid*). The schemes were originally supposed to run until the 8th of June but were extended until the 29th of August 2020 (*Winberg. C, 2020*).

They are based on a tripartite agreement between the Danish government, Danish Trade Union Confederation and the Confederation of Danish Employers, and was thereby adopted by the Danish parliament (*ibid*). During times of economic fluctuation, it proved imperative to set up the scheme quickly to create essential stability and security for corporations. At the end of May 2020, around 220,000 wage earners had received money through the scheme, demonstrating its success (*ibid*). The success of this scheme has been assessed by '*The Confederation of Danish Employers'* (DA).
They claim that it "*worked as designed*", indicating functionality in the way that Danish policymakers took upon the task (*ibid*). As of May 29th 2020, an expert group of three leading Danish economists suggested that "*the Danish Government should not, with certain expectations, extend the temporary subsidy schemes, but should instead seek to set up other policy measures with long-term perspectives"* (*ibid*). This clearly indicated that the thought process behind the Danish approach to policymaking is not only to make quick, socially acceptable policies, but to explore further options with long-term focuses, furthermore highlighting the practicality within the implemented policies.

3.3 Public Welfare

Unemployment plays an important role within societies and at the same time it is an important indicator of a country's economic status and well-being *(Hayes, A.; 2022*). "*Unemployment occurs when workers who want to work are unable to find jobs, which lowers economic output.*" (*Ibid*).
The unemployment rate measures unemployment by dividing the amount of unemployed by the amount of people in the labour force (*Ibid*). By definition, the labour force "*includes all people working and actively looking for work*" (*Schneider, G.; 2022*). On the basis of unemployment statements about a nation's economy can be made (*Hayes, A.; 2022*).
High unemployment speaks for lower levels of economic production and less economic growth (*Ibid*). On the contrary, low unemployment levels imply economic growth in the form of maximised production, rising living standards through increasing wages but at the same time this could lead to risks of overheating economies by inflation and increasing demand of workers (*Ibid*).

It is essential for a country to control the number of unemployment by providing insurances and implementing policy tools, e.g.in periods of recessions (*Ibid*).

There are several categories of unemployment: voluntary or frictional unemployment occurs when people quit their job to look for a new workplace (*Ibid*). This happens though in the short-term, which is why this form of unemployment is less problematic than others (*Ibid*). The opposite is involuntary unemployment, meaning unemployment through layoffs or dismissal (*Ibid*). Cyclical unemployment is a result of the economic cycles including upturns and downturns (*Ibid*). Especially in times of recession, the amount of unemployed rises, while it shrinks in periods of economic growth (*Ibid*).
By implementing policy tools, governments aim to limit unemployment during recessions and support economic growth (*Ibid*). The past decades were stamped by technological changes and huge developments of machines, which in some workplaces tend to replace humans (*Ibid*). This is called structural unemployment. Finally, institutional unemployment can be traced back to "*long-term or permanent institutional factors and incentives in the economy*" (*Ibid*).

Denmark and unemployment during Covid-19

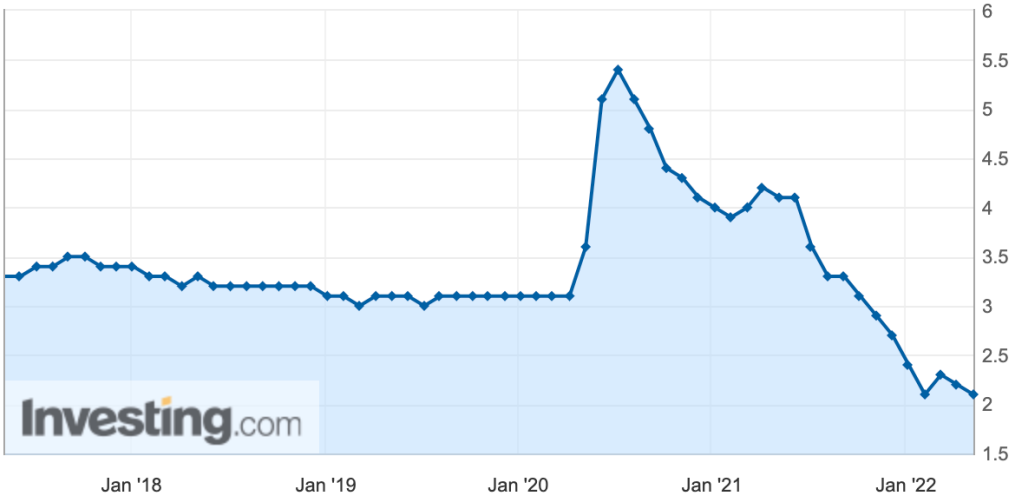


Figure 5: Unemployment rate in Denmark from 2018 to 2022
(*Denmark Unemployment Rate; no date; Investing.com*)

This graph shows the unemployment rate for Denmark distributed from 2018 to 2022. In average, a decreasing to stable trend of the unemployment rate is visible until 2020, only slightly representing changes in the year 2019. Most importantly to look at is the year 2020, since the Covid-19 pandemic had a huge influence on Denmark's labour market leading to cyclical unemployment.
The first third into 2020, the unemployment rate increases significantly, since this was the outbreak and the following initiation of the first lockdown in Denmark.

When looking at this graph, in March 2020, Denmark's unemployment rate was at 3.1%, then rapidly rising up to 5.4% at the end of June 2020, with the steepest increase between April and May 2020, +1.5%. After mid 2020, the decreasing tendency is relatively fast, which is mainly a result of the rising amount of job offers (*Von Tiedemann, C.; 2021*). Since the crisis was going on and people needed to get tested as quickly as possible, the government established PCR test and quick test centres, which needed staff (*Ibid*). Therefore there was a large demand for workers, to test the population in test centres (*Ibid*). Due to that, the unemployment rate sank quickly.

Already in August 2020 Denmark's chief economist and leader of Arbejdernes Landsbank (workers' bank in Denmark) said: "*This is an extremely pleasant surprise to be able to say, given that we had instead expected a new jump in unemployment or in the best case a plateau*" (*The Local DK; 2020*).
By November 2021, the unemployment rate even reached further below its level before Covid, followed by a decreasing tendency. Not only the health care sector demanded labour, but also construction firms and restaurants, bars and hotels, which were strongly undermanned (*The Local DK*; 2021). To prevent layoffs and dismissals in these sectors, online retrain courses for a time span of 30 days have been introduced (*Soested, M. and Munkholm, N. V.; 2020*). As an alternative to the usual work activities, this program educated the employees, which was financed by the employer through labour and union funds (*Ibid*). Other sectors were following these strategies (*Ibid*). In addition, a distribution of available work between the employees was suggested, preventing the lay off of staff. Part-time workers were able to receive *"supplementing unemployment benefits in the interim period" (Ibid).*

Denmark's labour market is strongly associated with its interrelation of government, trade unions and employers. "*The government even in times of extreme crisis chose collaboration and consultation with the social partners as the avenue for finding innovative solutions, that took into consideration the aspects of both workers and employers.*" (*Soested, M. and Munkholm, N. V.; 2020*). Since the "*the number of people who have been unemployed for more than 80% of the time in the preceding 52 weeks has almost doubled due to the adverse economic situation*" (*Kvist, J.; 2021*), it demanded policies and expansion benefits periods (*Ibid*). In this case, people that participated in education programs and training, in order to "*upgrade their education to a sector with a labour market shortage*" (*Ibid*), were ensured higher benefit payments - 110% of the usual benefit (*Ibid*). If people were taking part in education programs that did not relate to shortage of labour, they were offered 80% of the usual benefit payments (*Ibid*). Denmark assented a one-off payment with the amount of 1,000DKK "*to individuals who had been on social benefits in April 2020*" (*Seemann, A. et al. (2021*).
Furthermore, the entitlement for sickness leave benefit payments got extended to three months (*Soested, M. and Munkholm, N. V.; 2020*). Though there was no extension on unemployment payments in general, yet the unemployment and sick-leave payments in the time period of 8th March

to 23th August were not included in the two year period for entitlement of benefit payments (*Greve, B. et al.; 2020*).

3.4 Organised Work

The "Organised Work" pillar focuses on the organisational features behind the compensation schemes, affecting employees. On March 10th 2020, Denmark initiated their first lookdown by closing borders, schools and universities, child care services, shopping malls, including restaurants and hairdressers *(Soested, M. and Munkholm, N. V.; 2020)*. "*Non-essential public employees*" were "*sent home to work*", while private employers were asked to do the same with their employees *(Ibid)*. During the Covid-19 crisis, the government implemented "*short-time work compensation / furlough programs in the mid of March*" *(Juranek, S. et al.; 2020)*, established by the government and social partners *(Kvist, J.; 2021)*. On the 15th March 2020 the furlough compensation scheme was introduced, serving the purpose of temporary job retention (*Ibid)* by reducing working time by 100% but still obtaining job positions (*Juranek, S. et al.; 2020*). In this respect, the program ensured to fully refund the worker's wage (*Seemann, A. et al. (2021*), which was financed through state compensations (*Kvist, J.; 2021*).

Conversely, employees were occasioned to take five full holidays in order to contribute to the scheme *(Ibid)*. The program was especially used among companies planning to dismiss 30% or more of their workers on full- and part-time contracts *(Ibid)*. Instead, employees were sent home for either part or full time and ensured their job position, since companies participating in the compensation schemes were forbidden to fire their people when receiving benefit payments by the government *(Kvist, J.; 2021)*.

Already on the 29th August 2020 the furlough scheme phased out *(Ibid)*. Within the circa four month period, 279,779 people were benefiting from compensation payments in form of wage compensation *(Ibid)*. The second phase of furlough compensation happened from December 2020 to February 2021, where "*33,788 jobs in 6,846 companies […] received wage compensation*" *(Ibid)*.

After the first period of furlough compensations, short-time work schemes were announced in September 2020 *(Ibid)*. The short-time work compensation consisted of insurance payments for people experiencing work reduction *(Seemann, A. et al. (2021)*. In this case, members of unemployment insurance funds were authorised to receive *"supplementary unemployment benefits for the lost hours" (Ibid)*. This scheme was mainly widespread among the private sector and also embedded in the unemployment insurance system *(Kvist, J.; 2021)*.

The keypoint of this scheme was the distribution of the remaining work among the workers *(Ibid)*.

In the beginning of the program's implementation, 2,354 people applied for the benefits *(Ibid)*. By the end of February 2021, the scheme covered 11,080 employees *(Ibid)*. This program remained until December 2021 *(Ibid)*. "*A compensation scheme for the self-employed […] was modelled on the salary compensation scheme for private businesses*", ensuring payments of 90% of the expected revenue, with a monthly maximum of 23,000 DKK per applicant *(Seemann, A. et al. 2021)*.

These payments were paid, in case the self-employed had predictable revenue losses of more than 30% caused by Covid-19 *(Ibid)*.

Furthermore, Denmark introduced "focused" compensation schemes for e.g. called off events *(Ibid)*.

After some months of taking effect, the furlough program stopped, due to the rapid recovery of the economy *(Bennedsen, M. et al.; 2021)*, which was also outlined in the pillar above.

4. Theoretical Framework

4.1 Research time frame

For setting a research limit, this project includes the time frame of the outbreak of Covid-19 in Europe, January 2020, to the end of December 2021, to ensure the use of valuable, peer-reviewed and new data, but also to set a structure and limit for the overall project.

The first Covid-19 case in Europe was detected 24th January 2020 in France *(Timeline of ECDC's response to COVID-19; 2021)*. The infected person had shortly before travelled to China *(Ibid)*.
Only four days later, the first Covid-19 infection was registered in Germany.
Denmark experienced its first Covid-19 scare on 28th January 2020, though the tested person turned out to be negative *(Statens Serum Institut; 2020)*. On 27th February, Denmark reported its first positive Covid case *(Ibid)*. Sweden recorded its first Covid-19 case the 24th January 2020, after the infected person returned from a trip to China *(Sveriges Radio; 2020)*.

The Covid-19 pandemic exposed many decision-making issues faced by policy makers. Being charged with taking actions to protect employers, employees and corporations, all while unanimously lacking reliable information concerning the socioeconomic impacts. Ultimately the Danish government took a leap of faith, hopeful that the implemented policies proved practical for their labour force population.This project aims to evaluate the practicality of the '*Nordic Economic System*' during the pandemic, in terms of policies targeting their labour force. When seeking to understand the practicality behind these decisions, it is important to mention the following theories and concepts. Therefore it is vital to evaluate using the 'Public Policy Theory', and 'Decision Theory', in order to thoroughly analyse practicality and efficiency during Covid-19 in Denmark.

4.2 Public Policy Theory

To position our understanding, we decided to select the '*Public Policy Theory*' to explain the underlying assumptions and decisions that went into formulating labour market policies during the pandemic. Following this theory come numerous approaches primarily connected with public policy formulation, rational-choice theory, incremental theory, policy output analysis, political system theory and institutionalism (*Mustafa, Ghulam & Yaseen, et al. 2021*).
As seen, each pillar of the *'Nordic Economic Model*' entails different policies aimed at the labour market population, stiving to take the weight off the shoulders of the population. In order to successfully evaluate the practicality of this economic system, public policy setting remains at the core of our research, precisely showing the effects of this system put into action. Subsequently, public policy setting indicates the main differences between the Danish government's methods of tackling the pandemic in the labour market, in comparison to other governments.

Firstly a policy theory in this case is defined as "*the total causal and other assumptions underlying a policy*" (*Hoogerwerf. A, 1990*). In essence this prompted our research into where, why, and how these policies were implemented. The labour market policies described throughout this project come hand in hand with many underlying assumptions, consisting of decisions lacking scientific and expert opinions. Due to the uncertainty of the pandemic, the quality of an implemented policy may also be flawed. This quality can be evaluated on several criteria, the precision of formulation, differentiation, integration, and legitimacy of the policy (ibid). Since the goal of the project is to evaluate the practicality of this economic system, it is vital to take quality of policy into account. As stated by Hoogerwerf, "*it is a plausible hypothesis that the goal attainment of a policy will be higher as the precision, differentiation, integration, and the legitimacy of a policy are higher*" (*ibid*).
In simpler terms, the likelihood of achieving a goal using a policy will be higher as all of these factors are of higher levels. This is something that we therefore also use our theory for, hypothesising that these well-thought-out, precise, and legitimate labour market policies implemented in Denmark, were of high quality and practicality to the labour force population.

The American political scientist Harold Laswell presented the term '*Public Policy*' in 1951 (*Mustafa, Ghulam & Yaseen, et al. 2021).* Public policy can be seen as an action plan, produced by the government, in order to achieve specific goals in the labour market. With many directions to go, many different approaches are taken by governments, these signifying the actual techniques and methods that go into formulating and implementing specific tasks (*ibid*). Since the tasks mentioned in this project occur during the pandemic, the theory surrounding them can provide insight into which approaches were undertaken while making decisions. It is imperative to analyse different forms of decisionmaking, to fully understand the practicality behind these choices.
These approaches come in three groups, normatism, behaviourism, and empiricism (*ibid*). These groups are generally used as tools for analysis of a phenomenon (*Shafritz & Hyde, 1997*).
Therefore public policy theories are essential for providing a ground for public policy formulation.

4.3 Decision Theory

In the midst of immense uncertainty, stakes are high, and issues are complex for policymakers.
Much attention was put on how these policymakers handled this uncertainty, with regards to policymaking. The circumstances of the pandemic render policy makers' decision-making process vulnerable to errors and biases. This thereby increases chances of faulty decision-making processes with poor outcomes. This is applicable to the project when trying to evaluate the practicality of the policies implemented. Therefore the quality of policies highly depend on the decision-making process, being an important prerequisite that increases the likelihood of positive outcomes (*Nutt, 1999, Bloodgood, 2011, Wolak, 2013*).

Due to the fact that the consequences of these decisions are still not prominent in society as of now, it may not be possible to wholly conclude whether these choices were effective. However these policies are evaluated based on their effectiveness as of now, regardless of their long term future.

The pandemic was an entirely unique situation for policymakers, potentially causing information processing failures. Due to a high-stress environment, it has been found that decision-makers rely on habits and strategies that they are familiar with, as a result of these high time pressures (*Soares et al, 2012*). Throughout the duration of this project, decision theory has been used to provide a valuable way to frame aims and setbacks. Decision theory can provide a useful guide for transparent policymaking, based on how to make decisions in severe uncertainty in sensible ways (*PNAS, 2021*). Following decision theory come formal decision rules, used to guide policymakers, allowing them to recognise that they do not know which scenarios is "correct" and to act in a precautionary way.
The task of creating politically sound policies can be challenging, especially in producing scientifically grounded predictions of alternative courses of action (*ibid*). This is where decision theory comes into play, whereby policies are made on the basis of severe uncertainty, in sensible ways. Ultimately helping us understand the logic behind the choices of governments during Covid-19.

Behavioural Decision Theory

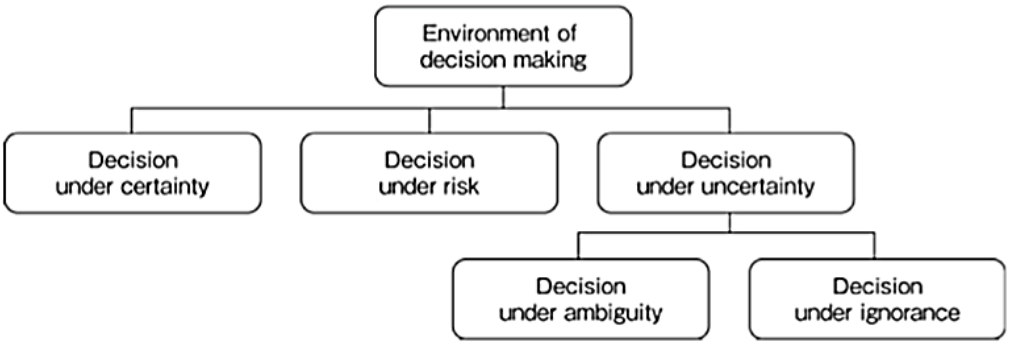


Figure 14: Behavioural Decision Theory
(*Takemura. K, 2020*)

Behavioural decision theory is a "*psychological theory of human judgement, decision making, and behaviour that can be applied to political science*" (*Takemura. K, 2020*). This specific theory focuses on the decision making phenomena of those under certainty, those under risk, and those under uncertainty (*ibid*). There are two theoretical frameworks that could be used to explain this phenomenon: normative theory and descriptive theory.
Normative theories support rational decision making (*ibid*). Descriptive theories describe how people actually make decisions in the real world (*ibid*).

Both of these frameworks reflect how humans make decisions, both entailing a certain level of rationality. Throughout this project, it is clear to see that the Danish government did not only adopt one of these, but an integration of the two, forming a prescriptive theory.

Prescriptive Analytics Diagram

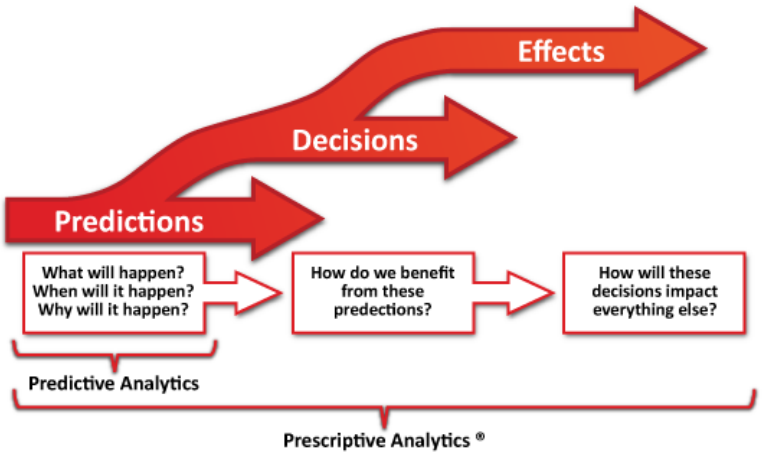


Figure 15: Prescriptive Theory
(*Wikipedia Contributors, 2019*)

During the pandemic this theory supports the fact that the Danish government adopted prescriptive theories in decision-making. Prescriptive theories focus on finding the best course of action in a scenario given the data available (*Sakthi, 2020*). A lacking element during this time was scientific and factual information about long term consequences. Hence this theory is used to find the best solution to a variety of choices. This model is tuned to specific situations, in this case Covid-19, based on theoretical foundations of normative theory, in combination with observations of descriptive theory. Policymakers during this time clearly had no way of knowing what the future of these choices have in store, when implementing labour market policies. Therefore '*Normative Theory*' was used to give a theoretical foundation, providing insight into what should be done to aid the labour market.
Following this, '*Descriptive Theories*' rely on observation, whereby decision-makers observe the here and now, in order to gain a sense of reality in their choices.
Both of these theories provide a prescriptive analysis, in which the government strives to find the overall best solution to cater to the labour force population. Starting with what should be done, what they can actually do, furthermore what can be done in uncertain times.

4.4 Conclusion

This project will employ these conceptualisations, and will be applied in the analysis. This project is concerned with performing an evaluation of the practicality of the '*Nordic Economic System*' when setting precautionary actions during the pandemic. Consequently we have chosen to narrow our view and look into labour market policies, specifically adhering to '*Public Policy Theory*', and '*Decision Theory*'. Due to the qualitative data we have collected throughout, we selected these concepts and theories due to their connection to our findings. When analysing the practicality of labour market policies, it is of high importance and relevance to delve into '*Public Policy Theory*' and the underlying assumptions behind the implemented policies. When creating our evaluation of the effectiveness of the '*Nordic Economic System*', it is also vital to gain an understanding of '*Decision Theories*', and ways in which decision makers use human judgement to come to sensible conclusions during uncertain times. We believe that these two theories are beneficial in analysing practicality, creating a view from all angles of the policies, from employees to employers and policy-makers. The '*Public Policy Theory*' is used in this project to represent the relevance of understanding the assumptions that go into creating policies during unique situations. This is closely tied to *'Decision Theory'* being used to represent the many ways in which humans can come to conclusions with a lack of scientific and expert experimentation.

This project aims to combine these conceptualisations in order to achieve an analytical understanding of how practical the '*Nordic Economic System*' really was for Denmark during Covid-19.

Both theories amplify the methodology and techniques that go into generating politically sound policies in high pressure situations.

5. Methodology

5.1 Grounded Theory

Throughout the duration of this project, large amounts of qualitative data have been collected, this data was generated using Grounded Theory. This methodology has provided numerous tools for doing a qualitative data analysis, in this case was used for specific conceptualisation of coding data and materials. By definition, "*Grounded theory sets out to discover or construct theory from data, systematically obtained and analysed using comparative analysis*" (*Chun Tie, Ylona et al, 2019*).
New theories and concepts are derived based on data, this is contrasting from other forms of methodology where you start with existing theories (*Delve, Ho, L & Limpaecher, 2022*). The original version of Grounded Theory was outlined by Glaser and Strauss, 1967, since then many protagonists have entered this field taking different stances (*Flick. U, 2018*).

Grounded Theory is unlike any traditional hypothesis-deductive approaches, it is an inductive approach whereby new theories are derived (*Delve, Ho, L & Limpaecher, 2021*). This methodology can also be used if there is a pre-existing theory, but is potentially incomplete, as the data used to derive that theory was not collected from qualitative data within the project (*Ibid*). In our case, we will be using Grounded Theory to modify existing theories, using gathered qualitative data from the project alone. This project entailed an existing theory of '*Public Policy Theory*', whereby modifications were derived from Grounded Theory, providing us with knowledge to build '*Decision Theory*' onto it. Furthermore this led us into modifying '*Decision Theory*' to '*Behavioural Decision Theory*'.

There are many pros and cons of using Grounded Theory. Firstly our findings have a higher likelihood of accurately representing real world settings, this being imperative in researching a global pandemic (*Ibid*). This is a contrasting aspect to other research approaches that occur in unnatural settings such as laboratories (*Ibid*). Grounded Theory enables our data to be specifically streamlined to fit our research, making it more applicable to draw solid conclusions from. A core aspect of this project is the three pillar structure, this methodology enabled us to stay structured and analytical in our discovery process (*Ibid*). Since much data is gathered throughout a project, Grounded Theory ensured that our data and analyses were tightly interwoven.

Corbin and Strauss take their own approach to '*Coding*', characterising it as "*a number of procedures for working with texts that can be differentiated*" (*Flick. U, 2018*). These procedures are commonly known as '*Open-coding*', '*Axial coding*', and '*Selective coding*' (*Ibid*).

Coding can be used as a form of constant comparison of phenomena, concepts and cases (*Ibid*). All in all, these processes lead to the development and modification of theories, whereby codes are attached to the data (*Ibid*). The first step to coding is '*Open coding*', often used as a starting point in Grounded Theory, whereby data is broken down into smaller parts creating codes (*Delve, Ho, L & Limpaecher, 2022)*. As implied by the name, open-coding "*enables opening to new theoretical possibilities in the qualitative data*" (*Ibid*). Data is first disentangled and segmented, whereby short sentences and sequences of words are created, in order to attach annotations and codes (*Flick. U, 2018*). The result of this step is a list of codes and categories attached to the data within the project.

Following this is '*Axial coding*', whereby the categories created prior are refined and differentiated (*Ibid*). During this process, the codes generated from open-coding are organised in order to find connections. Axial coding acts as a cleaning-up process.

The final step is '*Selective coding*', whereby "*axial coding continues at a higher level of abstraction*" (*Flick. U, 2018*). All categories are thereby connected around one core category, furthermore uncovering one unified theory based around the research (*Delve, Ho, L & Limpaecher, 2022*).

This final step refers to "*the culmination of the Grounded Theory process*", whereby its purpose of modifying an existing theory comes to light *(Ibid)*. The coding process will be illustrated using examples in correspondence with our project, showcasing how it was performed in this circumstance.

6. Document Analysis

As a part of Grounded Theory, this paper includes a document analysis of Internet documents during online research. Especially on the behalf of comparing the two countries Denmark and Sweden, regarding their policy implementation during Covid, the document analysis proved helpful.

In principle, document analysis serves the purpose of inspecting and assessing documents in order to reveal interrelations of topics, tightening contexts and discovering types of research data *(Dalglish, S. L., Khalid, H. and McMahon, S. A.; 2021)*. The high level of intertextuality through referring to other websites or documents via links, leads often to new traces of data and visualises the correlation between several documents (*Flick, U.; 2018; p.383*).

In practice, we frequently used government websites with regard to following the change of policies during the Covid-period of the beginning of 2020 to the end of 2021. These pages get regularly updated, so that the information is up-to-date. In addition, several links for further details are being proposed. In order to compare the findings, we have been looking at several changes of policies in the same time frame for Denmark and Sweden. The collecting of our materials and sources followed a theoretical research, in such as we used keywords to finally conduct our data.

6.1 Coding

In the following, our used strategy for coding within a document analysis will be outlined. Our goal was to structure our findings into different categories in order to compare the outcomes for either Denmark and Sweden with each other. Thereby our focus was directed to labour market policies and their implementation.

1. **Open-coding:**

Firstly, we read several documents and labelled their content into keywords while reading. These codes were determined by importance in relation to the topic ‘labour market policies in times of Covid-19 in Denmark and Sweden’. Within this process, keywords would appear double throughout the documents, which would offer a solid basis for comparison of content and thereby the countries’ approaches to Covid-19 within labour law.

2. **Axial-coding:**

Secondly, these codes were grouped into categorised as this provides an overview of how these codes are connected and their interrelation. This step allowed us to sort our qualitative data, which in the following will be important when analysing the findings.

3. **Selective-coding:**

The categorization of our codes would help us to summarise all categories into one core category. The outcome of this is our generated theory.

4. **Theory generated/modified:**

Finally many unanimous theories were generated from the coding process, many of which related to policymaking and implementation. Since we already decided on '*Public Policy Theory*' early on in the process, our coding acted as a modification tool to this theory. We discovered many unseen updates regarding decision making, time management, policy making etc…

This consequently sparked our interest in using '*Decision Theory*' and furthermore writing about '*Behavioural Decision Theory*'.

All in all grounded theory worked exactly as designed, whereby a modification of an existing theory came to light, based on our qualitative data collection.

Economic Governance Coding Abstract

Figure 14: Coding abstract, economic welfare

Coded from: *(Winberg, C. (2020)*

Public Welfare and Organised Work Coding Abstract

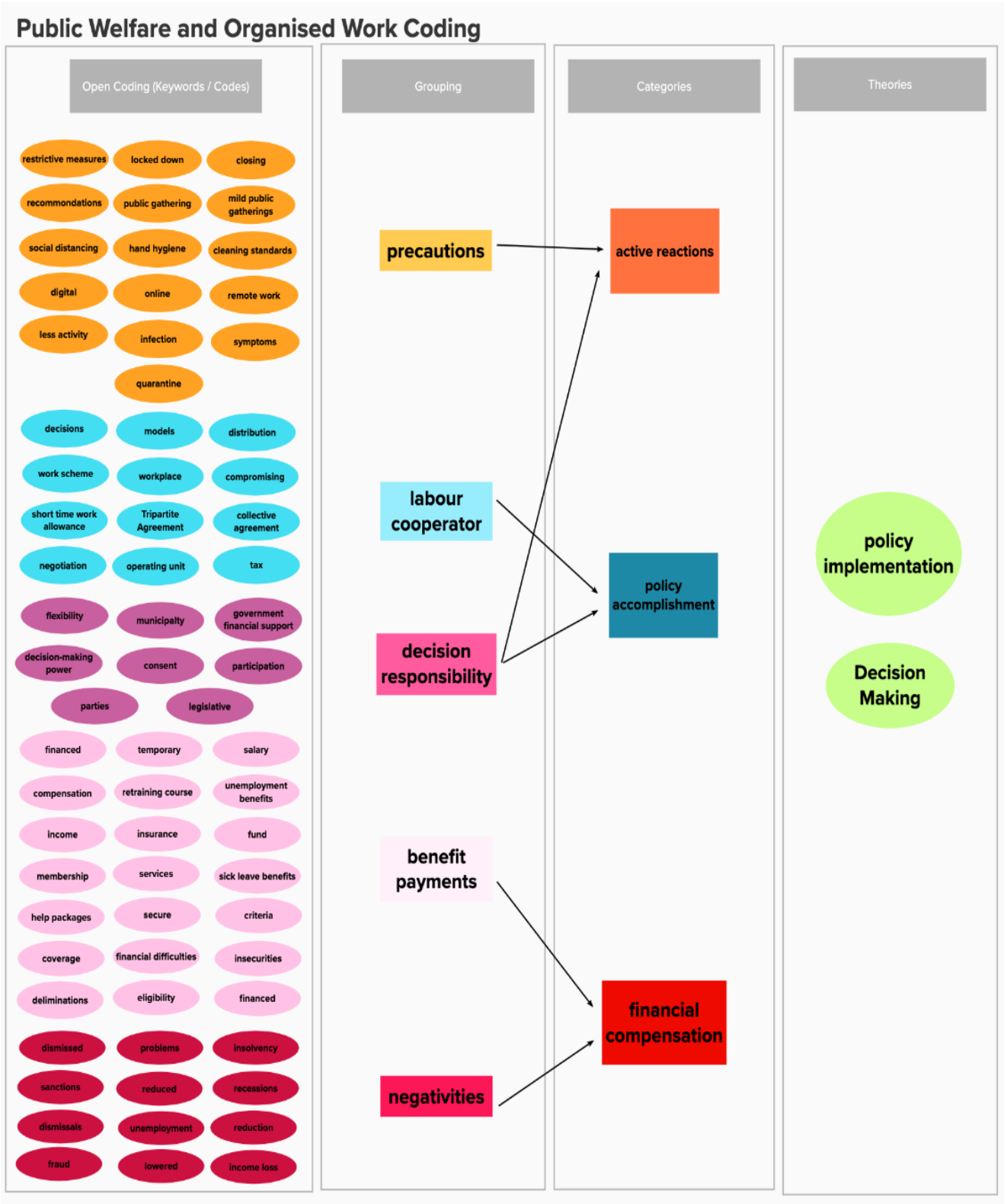


Figure 15: Coding Abstract Public Welfare and Organised Work

Coded from: (*Johansson, C. and Selberg, N.; 2020*) and (*Soested, M. and Munkholm, N. V.; 2020*)

7. Analysis

7.1 Comparison Sweden and Denmark

In this chapter, the Danish & Swedish Covid-precautions are outlined and compared.
Despite the "*similar demographic and economic profiles as well as comparative health care systems and public health infrastructures, though they maintain unique national identities*" (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*).

Main approach on the pandemic Denmark and Sweden (beginning of pandemic)

By the time of the pandemic's outbreak in March 2020, Denmark embraced the advice made by the WHO, *"largely based on biomedical, virology and epidemiological approaches and perspectives" (Andersen, P. T. ; 2021)*. These suggestions existed of social and especially physical distancing in form of isolating, and hygiene precautions, such the washing and cleaning of hands and surfaces *(Ibid)*. The aim was to keep the rates of people in need of direct medical care low, so that an overload of the health system would be avoided.
Within this first phase, Denmark was following the "containment strategy" by tracing back people that have been in contact with the virus and testing generally people that have shown mild symptoms.
The first lockdown in Denmark was initiated between 11th March and 13th March, where the country's borders were closed, as well as restaurants and bars, malls, stores, hairdressers, gyms and public institutions, like schools and universities (*Nilsen, P. et al.; 2020*). Furthermore, only gatherings of up to ten people were allowed and it was recommended to work from home *(Ibid)*.
Denmark was recognized as an *"early mover" (Ibid)*, albeit the implemented policies were *"less restrictive than those in France or the UK" (Ibid*).

In the beginning of the pandemic, Sweden, too, followed the WHO's suggestions concerning hygiene *(Ibid)*. Moreover, the goal was to *"minimize mortality and morbidity in the Swedish population and other negative consequences for the people and the community" (Ibid)*. Sweden's strategy was based on three main principles - responsibility, similarity and close proximity.
The main aspect of *responsibility* was the continuation of responsibility among each government body. *Similarity* meant that *"circumstances during the crisis should simulate normal circumstances as much as possible" (Ibid)*. The last aspect focuses on the management of the crisis by responsible authorities in the affected area.

In comparison to Denmark and the other Scandinavian countries, Sweden was acting and implementing its regulations fairly late and less restrictive (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*), relying on "*voluntary recommendations*" (*Nilsen, P. et al.; 2020*).
While other countries already had implemented lockdowns and reduced the number of contacts, as well as closed places with large public abidance, Sweden still allowed social gatherings with 50 people present and open restaurants, shops and gyms (*Giritli Nygren, K. and Olofsson, A.; 2020*). Furthermore, upper secondary and universities remained open when conducting distance learning (*Ibid*). Sweden therefore sticks out by following a different approach on Covid-19 without prohibition and paired sanctions (*Johansson, C. and Selberg, N.; 2020*).
In the following the consequences of the countries' implemented strategies will be outlined.

Development

Cases in Scandinavia

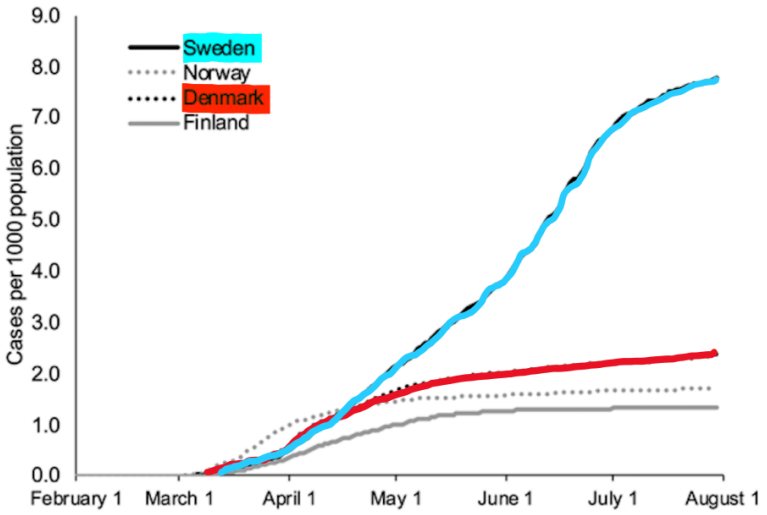


Figure 6: Cumulative cases per 1000 population in the 4 Scandinavian countries
(*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*)

This graph shows the cumulative Covid-19 cases per 1000 population in Sweden (blue) and Denmark (red) in the beginning of the pandemic in 2020. From March 2020 to August 2020 - a timespan of five months - the extreme degree of discrepancy of both countries' cases is clearly visible. Sweden registered 7.8 cases per 1000, more than three times as high as compared to Denmark with 2.4 cases per 1000 at that time (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*).
Sweden's population is nearly twice as much as Denmark's - 10 million to 5.8 million, though the population density in Sweden is way smaller - 24 inhabitants/sqkm to 132 inhabitants/sqkm) (*Ibid*).

Sweden

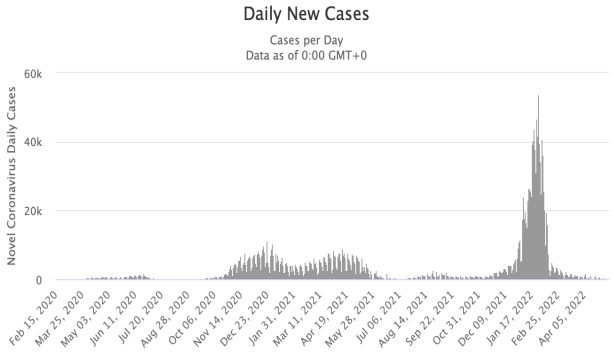


Figure 7: Daily New Covid-19 Cases in Sweden from February 2020 to April 2022

(Sweden COVID - Coronavirus statistics - worldometer; no date; *Worldometers.info)*

Denmark

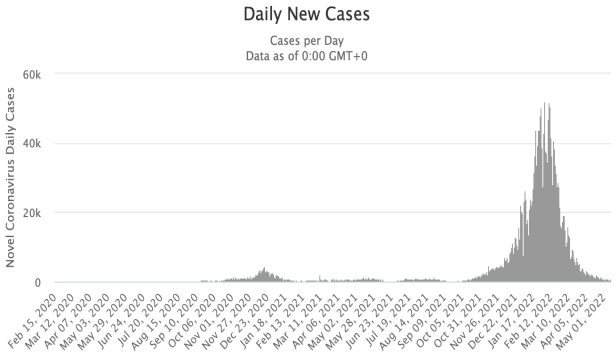


Figure 8: Daily new Covid-29 cases in Denmark from February 2020 to May 2022

Denmark COVID - Coronavirus statistics - worldometer; no date Worldometers.info)

These two graphs serve the purpose of illustrating the Covid-19 process in Sweden (left) and Denmark (right). It must be pointed out that the arrangement of the graphs differs in terms of the dates. It is clearly visible that the graphs' shape is similar to each other, though the quantity of cases varies. The shape reminds of waves, since the Covid-19 cases especially were spread during colder, winter seasons (October to February). Sweden usually registered a higher number of cases until December 2021, when Denmark experienced a strong wave of Covid-Cases, lasting longer than in Sweden.

In December 2020 there was a peak both in Sweden and Denmark, with 11,376 (*Sweden COVID - Coronavirus statistics; 2022*) and 4,034 (*Denmark COVID - Coronavirus statistics; 2022*) new daily cases respectively. After that peak, a downward trend in both countries could be documented, which is however slower in Sweden. First a year later, the cases started to increase again, in December 2021 and further. The 29th December 2021, 10,926 cases were reported in Sweden, 22,023 new cases in Denmark - more than twice as many cases due to the new variant "Omicron".

Denmark in the following, initiated new rules. Amongst other things, schools were closed before Christmas, around the 15th December, clubs, bars and restaurants had to close by midnight (*The Irish Times*; 2021). Furthermore, face masks were required again when using public transport.

Since the project's focus is limited until December 2021, we will not outline the further Covid situation in 2022.

Concerning the testing rate per 1000 population, Denmark was the most active and frequently testing country among all its neighbours (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*). Already in August 2020, Denmark's cumulative testing rate was 259.7 tests per 1000 population, 79.7 in Sweden (*Ibid*). In Denmark, tests were relatively early accessible for the population (*Ibid*).

The testing strategy aimed to prevent transmission through the testing of people with mild symptoms already in April 2020, and since May 2020 adults without referrals (*Ibid*).

Due to that approach, *"more mildly symptomatic and asymptomatic cases were detected"* and Denmark documented a *"relatively low test-positivity rate"* (*Ibid*).

On the contrary, Sweden first started extending testing by May 2020 (*Ibid*). With this approach, Sweden's positive-testing rate was not below the "*recommended threshold of 5%*" (*Ibid*) by the World Health Organisation, first achieved in July 2020 (*Ibid*).

Challenges

Deaths in Scandinavia

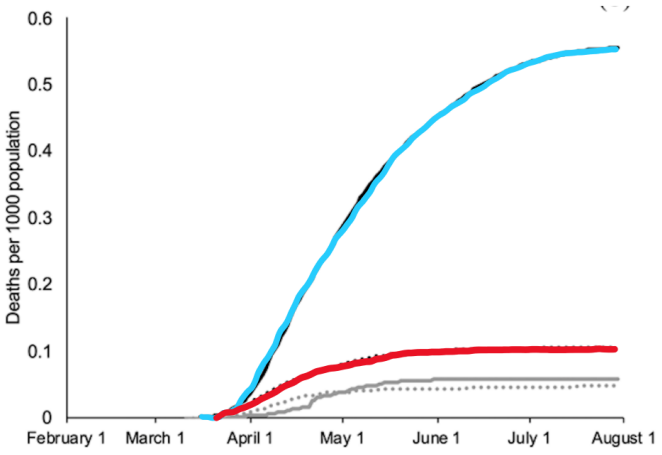


Figure 9: Cumulative deaths per 1000 population in the 4 Scandinavian countries (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*)

In this case, the death rate per 1000 population is shown - with Sweden suffering the most. On 5th July 2020, Sweden documented 0.54 deaths per 1000 population, in comparison to Denmark with 0.10 death per 1000 (*Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S.; 2021*). The reason for this tragic scale is amongst other things a result of the age distribution among population, meaning that older people are stronger affected by Covid-19 (*Ibid*). *"Seniors' care homes have accounted for a sizable proportion of all Covid-19 attributed deaths within each nation: 45% (Sweden), 60% (Norway), 35% (Denmark), and 44% (Finland)"* (*Ibid*). The Swedish senior care system is usually

administered by the municipalities due to decentralisation (*Ibid*). This can though led to funding gaps, lack of employees or employees with knowledge deficits in "*infectious disease training, equipment, and PPE*" Personal Protective Equipment (*Ibid*).

Sweden

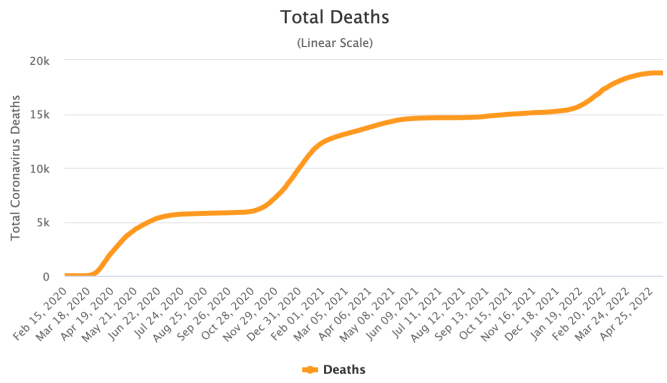


Figure 10: Total Deaths in relation to Covid-19 in Sweden from February 2020 until April 2022
(Sweden COVID - Coronavirus statistics - worldometer; no date; *Worldometers.info)*

Denmark

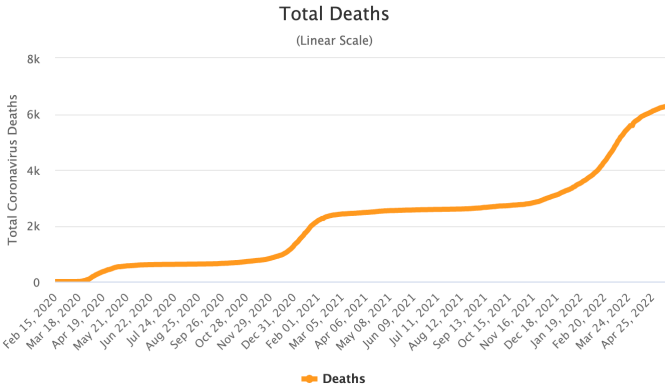


Figure 11: Total Deaths in relation to Covid-19 in Denmark from Febrauary 2020 to April 2022
Denmark COVID - Coronavirus statistics - worldometer; no date Worldometers.info)

Above pictured are the graphs for Sweden and Denmark for total Covid-19 death cases. The presentation of the graphs does vary as the y-axis is conducted differently. Left, it measures in steps of five, whereas on the right in steps of two. The shapes are stamped by periods of increase and periods of stagnation.
In Sweden, high increases are registered in April 2020 to June 2020, December 2020 to February 2021 in the time period until December 2021.
Denmark is experiencing longer stagnation periods and less steep increase periods, indicating that Sweden's mortality rate was generally higher than Denmark's. Long periods of stagnation speak in favour of limited to zero deaths in that time period, since these graphs show the total number of deaths. By the end of the year 2021, Sweden registered around 15,000 total deaths due to Covid, Denmark around 3,000.

Furthermore, Sweden suffered, in comparison to the other Scandinavian countries, from having "*the lowest number of intensive care unit (ICU) beds per capita*" (*Ibid*). On 25th April 2020, Sweden reported 558 occupied ICU beds carrying Covid-19 patients, compared to 526 occupied ICU beds in

the pre-covid year 2019 - demonstrating a strong increase within a short period of time (*Ibid*). It was necessary to increase the numbers of ICU beds to ensure professional medical care (*Ibid)*.

Labour market policies & Unemployment

Concerning the Covid-19 crisis, Denmark introduced policies among the national workforce, introducing temporal furlough and compensation schemes for firms for preventing layoffs.

Sweden applied similar methods by 16th March, albeit not as "generous" as in the other Nordic countries (*Juranek, S. et al.; 2020*). When focusing on the labour force, "*Sweden only allowed a part-time reduction in working hours maximum up to 80%*", compared to a permission of 100% furlough in Denmark, Norway and Finland (*Ibid*).

Thereby, four different steps could be chosen to reduce the work time - "*20, 40, 60 and 80% of the regular working hours*", decreasing the regular salary about 12, 16, 20 and 12%, respectively *(Johansson, C. and Selberg, N.; 2020*).

In the figure below, the reduced working hours and wages, part of wage paid by the employer and by the state and the overall reduced costs for employers are visualised.

Swedish Compensation Scheme

How much can you get in support?

The redundancy rates are 20, 40 and 60 percent. The state accounts for a third of wage costs.

The costs of a reduction in wages and working hours are distributed as follows:

Level	Reduced working hours	Reduced wages for workers	Part of the wage reduction that employers pay	Part of the wage reduction that the state pays	Reduced cost for employers
1	20%	12%	1%	7%	-19%
2	40%	16%	11%	13%	-29%
3	60%	20%	20%	20%	-40%

Figure 12: Compensation Scheme provided by the government in Sweden *(Tillväxtverket*)

This policy was implemented for firms experiencing recent challenges in relation to financing and production due to Covid-19 (*Ibid*), in order to prevent dismissals of personal (*Johansson, C. and Selberg, N.; 2020*). The "*Short Time Work Allowance Act*" (*Ibid*) was discussed in the Swedish Parliament in 2008, though never set to effect (*Ibid*). This law was then introduced by the outbreak of the pandemic (*Ibid*). People eligible for the payments were employees with open-ended and short-term contracts, that have been employed for minimum three months at a firm (*Ibid*). Self-employed workers got excluded from receiving these payments (*Ibid*). In August 2020 this scheme was covering approximately 570,000 employees, costing 2.6 billion euros (*European Monitoring Centre on Change; 2021*).
In this context, companies were asked to avoid hiring new workers, in order to decrease labour costs (*Oskar, L. H. et al.; 2020*). These compensation schemes applied also for landlords renting premises to firms with "*at most 25 percent of the original rent*" (*Ibid*).
Both Denmark and Sweden postponed the paying of VAT taxation for firms, to "*support liquidity in companies*" (*Greve, B. et al.; 2020*).

As earlier outlined, Denmark's labour market experienced significant changes, leading to an increase in unemployment by 1.6% from March to June 2020 . However, there was a quick recovery, as the unemployment rate went down to an even lower rate than pre-covid. This rapid recovery can be explained by the increasing demand for labour and the increasing supply of labour (*Von Tiedemann, C.; 2021*). Especially within the health sector, job offers in test centres ensured huge recruitment (*Ibid*). The number of job offers in Denmark has never been that high before, reaching 63,000 new job places in November 2021 (*Ibid*). By the end of 2021, the unemployment rate in Denmark reached 3.1%, being lower than before Covid (*Ibid).*

Unemployment rate for males in Sweden

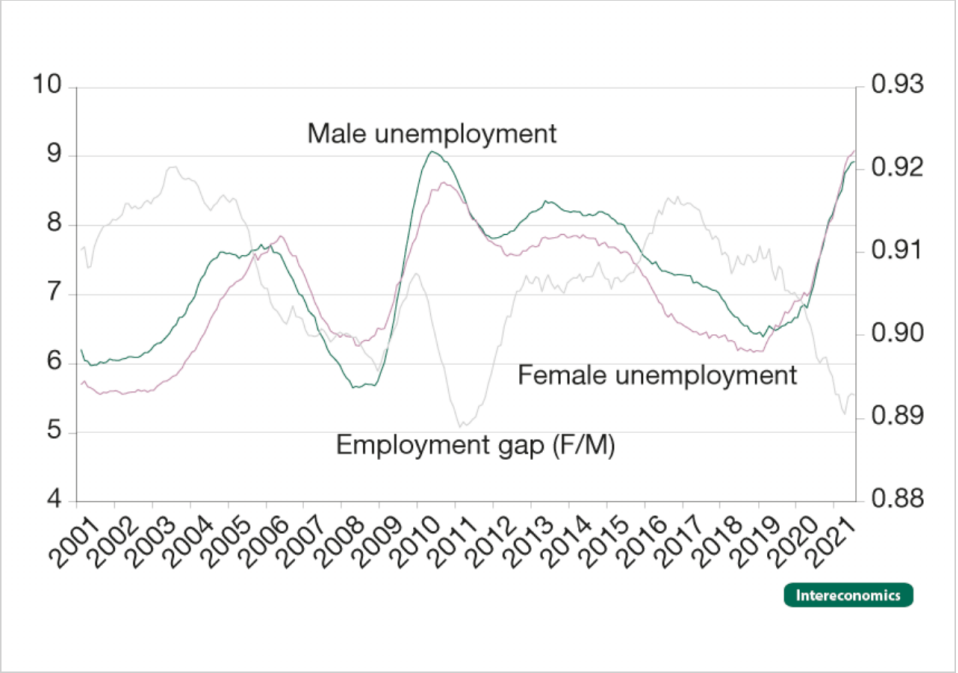


Figure 13: Unemployment rate for males in Sweden during 2001-2021 in percent (*Campa, P., Roine, J. and Strömberg, S.; 2021*)

The graph above shows the unemployment rate among men in Sweden during the time period of 2001-2021. Two main peaks are visible, representing the impact of the Global Financial Crisis in 2008 and the Covid-19 Crisis in 2020, with Covid-19 causing an even higher unemployment rate among men than the Financial Crisis 12 years before (*Campa, P., Roine, J. and Strömberg, S. 2021*).

By the time of April 2020, *"unemployment levels were 8.1% and 419,000 persons were looking for a job - 81,000 more than the year before"* (*Johansson, C. and Selberg, N.; 2020)*. Within the first two months of the pandemic, 60,000 people registered to be unemployed - equivalent to ca. 1% of the labour force - with an increasing tendency (*Oskar, L. H. et al.; 2020*). In the same time period in 2019, the number of unemployed decreased by 9,000 (*Ibid)*.

In addition, layoffs were rising - from 20,000 to 75,000 in comparison to 2019 (*Ibid*).

Sweden's reaction to the Covid-19 unemployment circumstances was led by three objectives:

1. *"Reduce the financial burden from sickness absence.*
2. *Protect firms and jobs.*
3. *Increase access and generosity within the unemployment insurance system."(Oskar, L. H. et al.; 2020).*

In relation to possible sickness absence, the first day and the first two weeks got covered by the Swedish health insurance, usually by the absentee and the employers, respectively (*Ibid)*. This should limit the spread of Covid-19, since workers experiencing symptoms should not be forced to go to work "*for financial reason*s" *(Ibid*). Since kindergartens, day care centres and compulsory schools remained open and children with any symptoms were supposed to stay at home, parents staying at home with them get parental leave pay without needing a doctor's certificate (J*ohansson, C. and Selberg, N.; 2020)*.

During the crisis, the Swedish government expanded *"unemployment insurance coverage […] and benefit levels"* (*Ibid*). The Swedish unemployment insurance system "*has a very low cap*" *(Oskar, L. H. et al.; 2020*), meaning that even full-time workers have to expect a low wage replacement rate (*Ibid*). Due to that reason, the majority of workers are members of trade unions and/or "*employed at workplaces that are covered by collective agreements*"(*Ibid*).
At that point of time, 70% of employees were members of trade unions and 83% of private employed workers experienced coverage by collective agreements (*Johansson, C. and Selberg, N.; 2020*). In response to the crisis, working hours, a requirement for UI qualification were reduced "*from 80 to 60 hours / month during 6 of the past 12 months"* (*Oskar, L. H. et al.; 2020*), as well as the time period of UI membership from 12 to 3 months (Ibid). Already in March 2020 there was a rise of trade union memberships of 30,000 people (*Johansson, C. and Selberg, N.; 2020*). Between February and March 2020, the UI system experienced a growth of 3% (Ibid). In the same period, memberships for the unemployment fund of the Hotel and Restaurant Workers' Union increased 17% (*Ibid*).

With regard to the health care labour force sector and the pandemic, there was increasing demand for health care personnel *(Ibid)*. There was set up a "*crisis agreement*" with employers and medical unions in the area of Stockholm for ICU medic *(Ibid)*. This consensus was including overwork of staff and location changes in emergencies, which should be compensated with "*120% crisis compensation*" *(Ibid)* additionally to normal pay *(Ibid)*.

7.2 Economic Governance

This pillar entails the macroeconomic and industrial policy side of the '*Nordic Economic Model*'. As previously stated, "*this involves the institution in which the framework is provided for management of financial crises*", thereby policymaking, decision making, and policy implementation will be vital aspects of this analysis (*Zoppe. A, 2021)*. Along with a global health crisis, came a financial crisis, this recession destabilised and damaged the economy at extraordinary rates. This came hand in hand with the stagnation of economic growth, and stock market crashes, both unanimously resulting in financial unsettlement. Hence the core of this pillar remains the governmental compensation schemes, making

up for lost revenues, fixed costs, and repatriation of salaries (*Erhvevsstyrelsen, 2022)*. Furthermore, this pillar will be analysed on the basis of our set parameters of practicality and effectiveness, depicting whether or not this was a success story. The timeframe of policy implementation and variation of governmental compensation schemes will be drawn upon to provide a thorough analysis.

Firstly policy implementation will be analysed, providing a timeline of events to delineate the effectiveness of governmental decision making in uncertain conditions. During times of immense economic fluctuation, these schemes had to be created and implemented in a timely manner. The first positive case of Covid-19 in Denmark was confirmed on February 27th 2020, just eleven days later on March 9th 2020, governmental compensation schemes were introduced. Over seven forms of compensatory schemes were implemented in just under two weeks, further indicating that extensive amounts of work went into making this a reality. An array of processes took place between the Danish government, the Danish Trade Union Confederation, and the Confederation of Danish Employers, making it possible at the end of that same month that over 222,000 wage earners had received money through the schemes (*Winberg. C, 2020*). These facts alone indicate high degrees of practicality to much of the labour force population. With regards to time frame, policymakers reacted in record times, with the compensation schemes offering many variations suitable to the vast majority of businesses affected by the recession. This is the pinnacle of a successful policy, illustrating both practicality and effectiveness in times of urgency.

Along with this, the successes of this scheme have also been assessed by '*The Confederation of Danish Employers (DA*)'. They themselves claim that it "*worked as designed*", furthermore supporting the fact that policies can be made at record speeds, while still embodying elements of functionality (*Ibid*). In May 2020, an expert group of Danish Economists also claimed that "*the Danish government should seek to set up other policy measures with long-term perspectives"* (*Ibid*). From this, we can see that although there was an immense amount of success already noticeable, Danish policymakers would not stop there, and were still determined to adapt and explore future possibilities. This goes to show that there were no plans of leaving businesses to hang dry after a couple of months of compensation, these schemes were not stopping here. This is supported by the fact that general compensation schemes were originally supposed to run until June 8th 2020, but were extended further until August 29th 2020 (*Ibid*), which ended up applying all the way until June 30th 2021(*Eurofound, 2020*). As a result of these extensions, in June, 36,799 companies were compensated, this equating to 335, 546 employees, with a total of DKK 17,714 million paid in compensations (*Ibid*). These statistics amplify the effectiveness of this policy, proving high levels of practicality based on our parameters, reaching a large lineup of businesses, all highlighting successful policymaking in achieving a more stabilised economy.

7.3 Public Welfare and Organised Work

The second pillar "Welfare State" was applied to the Danish Labour Market Policies concerning unemployment insurances and their effect in the Covid-19 crisis. This is important to look at, since high unemployment can lead to a decrease of economic output. The third pillar "Organised Work" contains the effect of policy implementation within the active labour market in Denmark on the workers as individuals. These two pillars are closely connected to each other, as there is an interrelation between labour force and unemployment. Therefore the analysis of the two pillars will be combined.

Due to the rapid actions taken by the Danish government, the Danish labour market experienced some challenges. The Covid-19 crisis led worldwide to supply shortages, which not only decelerated production processes in firms but also led to numerous layoffs and dismissal of staff, in order to reduce costs. As already outlined, corresponding compensation schemes had been introduced quickly, after the first Covid-19 outbreak in Denmark, however the first months into the crisis have been challenging.

The several compensation schemes were applied to different work manners - full- and part-time employed and self-employed and freelancers. In order to prevent long-term redundancy, the tripartite agreement determined work sharing (*Greve, B. et al.; 2020)*. This would distribute work among employees and at the same time prevent layoffs. In June 2020, more than 10,000 people implemented work-sharing *(Ibid)*. By reducing working time and still ensuring payment, the repatriation of employee incomes were provided, stabilising the economy and people's households.
These implementations' costs equal ca. 6% of Denmark's GDP *(Ibid*).
The enormous government expenses were not only stabilising the economy, but also people's households, creating a safety net for society.

For people experiencing unemployment, the state offered support on many levels. Even though the amount of payments has not changed, their active requirements to be entitled to the benefit payments loosened (*Greve, B. et al.; 2020*). This included an interruption of required working hours for and extensions on sick leave payments *(Ibid)*.
As a consequence of that, people had easier access to aforesaid benefits, which provided stability, limiting social risk within the state and showed government support.

While some countries still suffer from the economic consequences, other countries have recovered and experienced enormous economic growth, better than pre-covid (*Obst, T. and Schläger, D.; 2022*). Denmark experiences "a*n all-time high [in employment rate], and the number of unemployed persons has moved close to the level seen prior to the Great Financial Crisis*" (*Bess, M. et al.; 2022*).

It is no wonder that Denmark is the leader with an economic growth of more than 5% in GDP, followed by Sweden with 2.1% (*Obst, T. and Schläger, D.; 2022)*. This is closely tied to the decrease of unemployment in Denmark, which has been outlined earlier. In times of Covid-19, many jobs and training programs were created, due to e.g. a lack in the health care and construction sector, which consequently reduced unemployment.

Furthermore, subsidy schemes served the purpose to absorb the negative consequences on the labour market (*Ibid*), since it prevented layoffs and dismissal, furthermore supporting the economic flow and money circulation.

Generally, quick recovery happened in countries with liberal and well structured systems (*Ibid*).

8. Conclusion

8.1 Implications

Throughout the course of writing a project of this scope, there were many implications that arose in various academic areas. The majority of these issues are related to the timespan of the project, whereby it is no doubt that further research is required to solidify and verify our findings. Implications are inevitable, therefore it is a vital component of this project to discuss and explain where the project could be modified and refined.

First and foremost, as previously stated, timing is an inevitable implication of research projects. Given more time, many academic areas would be enhanced, furthermore increasing levels of reliability, validity and accuracy. The focus point of this project is an analysis of Denmark's precautionary action in tackling the pandemic, with regards to their '*Nordic Welfare System*'. Sweden was brought in to provide a comparative background, illustrating alternative ways other countries under the '*Nordic Welfare System*' handled the crisis. Initially, the plan was to have Denmark and Sweden weighted equally, providing a 50/50 analysis of both. This would have not only produced interesting findings to contribute to an array of previous studies, but have provided further depth to the project, showing both sides of how Scandinavia battled the virus. However due to accessibility and time restraints, the task of qualitative data collection proved to be too time consuming, risking taking research time away from other vital academic areas. Hence Denmark was chosen as the primary focus, without fully letting go of Sweden.

Following this comes data collection techniques. With regards to the literature, we aimed to select qualitative data that was peer-reviewed, and from reliable sources. Due to the fact that our research is so current, some of the sources used to find factual evidence and expert opinions were articles. A side effect of this was that the reliability of our findings was hindered due to bias. These articles specifically originated from Denmark and Sweden, as a consequence of this many were written in favour of their country. Much of the qualitative data came from Danish articles, where it was evident to see that they entailed elements of bias, surrounding how effective they made themselves out to be. Since there were not many other options to get Danish and Swedish data, the only option was to gather it from these sources, meaning that some of our points of analysis may be subject to bias. Overall we acknowledge the fact that generally the Danish data looked *'better'* than Sweden, due to the fact that we specifically sought to find examples of effectivity and practicality. However both countries performed very on par with eachother.

To continue, data collection initially proved to not be an issue, with a vast amount of up-to-data data available. Due to the nature of the topic, it was extremely simple to collect data regarding Covid-19, however this eventually backfired. As a result of this simplification, there was a constant struggle of finding wholly applicable data that served very specific purposes. Evidently our project takes a quite vague approach, aiming to analyse as much of the '*Nordic Economic Model*' as possible, while covering all bases. If this were to be improved, it would be beneficial to specify the project even more, ensuring that wholly applicable data was collected for very specific areas. Although '*Labour Market*' was chosen to specify our three pillars, this still encompasses a data-overload that was challenging to manage in such a short time.

Finally, our project used '*Grounded Theory*' as methodology, which could be vastly improved in some areas. We used the processes of '*Open Coding*', '*Axial Coding*', and '*Selective Coding*' to formulate and modify our theories. Grounded theory served its purpose within this project, whereby we were able to create and modify theories based on our qualitative data. However, if given more time, an interview would have been an appropriate research method in providing background information, not necessarily available in our sources. We would have conducted this interview on the basis of the '*Public Welfare*' pillar, providing insight into how the public were affected first hand by these policies. It would have delved into how unemployment affected the labour force population, how effective and practical these policies were, furthermore providing opinions directly from affected members of the population. Again, due to time constraints, an interview would not have provided as much valid data as our chosen method of document analysis.

8.2 Discussion

On the occasion of the previously discovered data, the contrast between Denmark and Sweden got exposed. Hence this discussion will compare the countries on the following level:

- We evaluate the practicality of both countries' approaches by the standard of policy implementation, compensation programs and government expenditures.

Policy implementation

When looking into implementing policies in reaction to Covid-19, Denmark imposed restrictions, initiated a full lockdown and rules to curtail the outbreak of Covid-19 in less than two weeks after their first confirmed positive case. On the contrary, Sweden did not ever initiate a lockdown, though proposed hygiene rules and acted more in favour of the society's voluntariness and economic maintenance. These guidelines have been implemented by the end of March 2020. Occasionally, there have been isolations and temporary closings, e.g., when a high number of children got infected at schools.

Nevertheless, the countries' approach on the pandemic differed strongly. Whereas Denmark reacted quickly and consequently, Sweden reacted later and milder. As a result, Sweden reported a high infection and mortality rate in the beginning of the Covid-19 spread, which can probably be led back to missing lockdown initiations.

Compensation schemes

The outbreak of the Covid-19 crisis put the Nordic Model to the test, as the sudden outbreak demanded to get embanked (Nordic Welfare Centre; 2022).

Greve stated that the model is changing due to inequality challenges, indicating less generosity and inclusion (Ibid). According to van Greven, the inequality problems arise through the targeted consequences of the pandemic onto “people that are marginalised already” (Ibid). Therefore, she says, the importance of social security benefit systems should rise even more, as they provide stability and work as a buffer (Ibid).

Compensation schemes and payments were arranged in both countries to prevent dismissals and staff layoffs. The Swedish furlough rules did not offer a 100% reduction of work time, whereas this was possible in Denmark. Furthermore, self-employed workers got excluded from compensation payments in Sweden, while they were integrated in Denmark. Both countries experienced an increase in unemployment numbers, which Denmark was able to lower to under pre-covid circumstances by the end of 2021. Denmark and Sweden enabled easier access to benefit payments by reducing required working hours for being entitled to payments and announcing new sick leave rules for parents and general workers. Overall, Denmark was acting and recovering faster, which is also owed to the country's population size and the early reaction to the crisis. Due to Denmark’s test strategy, there was a high demand of labour, decreasing unemployment rate.

Government expenditures

In addition to that, Denmark had a more practical approach to the pandemic in such as the PCR and quick testing was free for citizens, uncovering chains of infection and initiating early isolations. In Sweden, PCR-tests were and still are expensive, preventing the frequent testing of the population when experiencing symptoms or Covid-cases within the family.

This reflects the government's expenditures, as the Danish government focused strongly on the expansion of test centres and development of workplaces.

Though, both countries managed in their own way to stimulate their economies and generate better conditions than pre-covid. This is last but not least the credit of the Nordic Economic Model, which proves successful and resistant. With ist principles of universalism, stability, stateness, equality, the

system provides a safety net that requires government expenditures but will benefit the society and national economy subsequently.

Even though Denmark and Sweden are fairly similar in terms of their welfare systems and national stability, their approach on Covid-19 was different. Denmark followed a more strict and tight approach, especially in the beginning, whereas Sweden was focusing on mild restrictions and giving people their freedom.
Generally Denmark had a more practical approach to the pandemic than Sweden within the time frame of March 2020 to December 2021, which is mainly due to active and rapid policy implementations, generous periods of payments and new rules concerning benefit payments. Sweden too enabled a proper safety net for sick people, unemployed and workers, though not to a larger extent than Denmark did.

Most countries under the Nordic model proved to have handled and bear the crisis efficiently, compared to other European countries, because they acted early and provided mostly generous compensation for the society. Though there have been differences among the Scandinavian countries, as Sweden took another path when embacking the crisis. Before Covid, the Scandinavian countries have been in a stable, safe and efficient economic and social situation, characterized by high GDP, low unemployment rates and debt rates (Greve, B. *et al.*; 2020). During the crisis, the Nordic Economic Model was put to the test in terms of crisis management and accomplishment. Denmark was hit by a wave of unemployment during March 2020 and August 2020, whereas Sweden reported high mortality numbers in the beginning of the pandemic, shocking to other countries.

Though, as the crisis went on, implemented policies such as furlough and short-time compensation policies, renewed sick leave policies and family policies made an impact to recover from the losings and economic and social slow down. Especially in the end of 2021, Sweden and Denmark seemed to have recovered from the nearly two year lasting pandemic, indicated through rising GDP levels and a reduction in unemployment rates to a lower extent than pre-covid in Denmark. These changes have been faster than seen in other European countries, e.g., UK, Spain or Germany (*Obst, T. and Schläger, D.; 2022).* These findings support our constructed hypothesis, that the Scandinavian countries had a more practical approach concerning the pandemic than other European countries, which could be measured by the outcomes, e.g., the process of recovery, until December 2021.

8.3 Overall conclusion

As stated in our research question:

- How practical was the Nordic Economic Model in Denmark regarding labour market policies, during the Covid-19 precautions?

The 'Nordic Economic Model' was brought in not only to aid the structure of our findings, but to represent core elements of the '*Nordic Welfare System*'. We allocated our findings into these three pillars of '*Economic Governance*', '*Public Welfare*' and '*Organised Work*', to provide as much of an all-rounded evaluation of practicality as possible. As previously mentioned practicality from our perspective is defined as "*the likelihood of succeeding or being effective in a real life circumstance, in this case Covid-19*". From this we selected our parameters of effectivity, to answer our research question, these being "*policy implementation*", "*compensation schemes*" and "*government expenditures*".

In conclusion it is evident that Denmark is a prime example of an effective welfare state during Covid-19, taking an array of socioeconomic factors into consideration during policy-making and implementation. Denmark sufficed all of our parameters, implementing policies at renowned speeds, providing numerous forms of schemes, and spending masses in government expenditures.
Overall Denmark proved to have achieved practicality and effectiveness in their approach towards the unforeseen and unique circumstance of Covid-19.

9. Bibliography

Andersen, P. T. u. a. (2021) „Public health, surveillance policies and actions to prevent community spread of COVID-19 in Denmark, Serbia and Sweden“, Scandinavian journal of public health, S. 14034948211056216. doi: 10.1177/14034948211056215. (Accessed 20 March 2022)

Bayerischer Rundfunk (2021) Spanische Grippe: Die schlimmste Influenza-Pandemie der Geschichte, Bayerischer Rundfunk. Available at: https://www.br.de/wissen/spanische-grippe-influenza-virus-pandemie-referat-100.html [Accessed 16 March 2022]

Bennedsen, M. *et al.* (2021) *The value of a job match: firm-level evidence on the role of government aid* ↽, *Danielascur.com*. Available at: https://www.danielascur.com/wp-content/uploads/2021/07/BLSS-manuscript.pdf (Accessed: May 14, 2022)

Berger, L., Berger, N., Bosetti, V., Gilboa, I., Hansen, L.P., Jarvis, C., Marinacci, M. and Smith, R.D. (2021). Rational policymaking during a pandemic. Proceedings of the National Academy of Sciences, [online] 118(4). doi:10.1073/pnas.2012704118. (Accessed 10 May 2022)

Bess, M. *et al.* (2022) *Pressure on the labour market during the pandemic*, *Nationalbanken.dk*. Available at: https://www.nationalbanken.dk/en/publications/Documents/2022/03/Pressure%20on%20the%20labour%20market.pdf (Accessed: May 19, 2022)

Bloodgood, J. M. (2011). Why decisions fail: avoiding the blunders and traps that lead to debacles. Acad. Manag. Execut. 17, 132–133. doi: 10.5465/ame.2003.17539860 (Accessed 10 May 2022)

Bredgaard, T. and Madsen, P. K. (2018) “Farewell flexicurity? Danish flexicurity and the crisis,” *Transfer (Brussels, Belgium)*, 24(4), pp. 375–386. doi: 10.1177/1024258918768613. [Accessed: May 10, 2022]

Campa, P., Roine, J. and Strömberg, S. (2021) “Unequal labour market impacts of COVID-19 in Sweden - but not between women and men,” *Inter economics*, 56(5), pp. 264–269. doi: 10.1007/s10272-021-0996-3. [Accessed: May 12, 2022]

Chun Tie, Ylona et al. “Grounded theory research: A design framework for novice researchers.” SAGE open medicine vol. 7 2050312118822927. 2 Jan. 2019, doi:10.1177/2050312118822927

Covid-19 in Sweden (2022) *sweden.se*. Available at: https://sweden.se/life/society/sweden-and-corona-in-brief (Accessed: May 18, 2022)

Covid-19 Task Force (2021) RSM Denmark. Available at: https://www.rsm.global/denmark/da/covid-19-task-force (Accessed: May 24, 2022)

CSN (2021) *Student finance – grants and loans for studies*, *Csn.se*. Available at: https://www.csn.se/languages/english.html (Accessed: May 18, 2022)

Daily Scandinavian. 2017. Are Scandinavians the Happiest People in the World?. [online] Available at: <https://www.dailyscandinavian.com/scandinavians-happiest-people-world/> [Accessed 20 March 2022]

Dalglish, S. L., Khalid, H. and McMahon, S. A. (2021) “Document analysis in health policy research: the READ approach,” *Health policy and planning*, 35(10), pp. 1424–1431. doi: 10.1093/heapol/czaa064. (Accessed: May 18, 2022)

Delve, Ho, L., & Limpaecher, A. (2021, September 17). The Practical Guide to Grounded Theory. Practical Guide to Grounded Theory Research. https://delvetool.com/groundedtheory

Delve, Ho, L., & Limpaecher, A. (2022, February 8). How To Do Open, Axial, & Selective Coding in Grounded Theory. Practical Guide to Grounded Theory. https://delvetool.com/blog/openaxialselective

Denmark COVID - Coronavirus statistics - worldometer (no date) *Worldometers.info*. Available at: https://www.worldometers.info/coronavirus/country/denmark/ (Accessed: May 16, 2022)

Denmark Unemployment Rate (no date) *Investing.com*. Available at: https://www.investing.com/economic-calendar/danish-unemployment-rate-647 (Accessed: May 16, 2022)

Erhvervsstyrelsen.dk. 2022. Coronavirus/covid-19. [online] Available at: <https://erhvervsstyrelsen.dk/coronaviruscovid-19> [Accessed 17 March 2022]

Eurofound (2020), Tripartite agreement on wage compensation in the private sector, case DK-2020-11/633 (measures in Denmark), COVID-19 EU PolicyWatch, Dublin, http://eurofound.link/covid19eupolicywatch

European Commission (no date) *Sweden - employment, social affairs & inclusion*, *European Commission*. Available at: https://ec.europa.eu/social/main.jsp?catId=1130&langId=en&intPageId=4817 (Accessed: May 16, 2022)

European Committee of the Region (no date) Denmark, Europa.eu. Available at: https://portal.cor.europa.eu/divisionpowers/Pages/Denmark-Introduction.aspx (Accessed: May 23, 2022)

Flick, U. (2018) "An introduction to qualitative research". SAGE 6th Edition. 2018

Flick, U. (2018) "Using Document Analysis," in *An introduction to qualitative research*. SAGE Publications, pp. 375–389.

Frazier, L. (2021). The Coronavirus Crash Of 2020, And The Investing Lesson It Taught Us. [online] Forbes. Available at: https://www.forbes.com/sites/lizfrazierpeck/2021/02/11/the-coronavirus-crash-of-2020-and-the-investing-lesson-it-taught-us/?sh=32fff1346cfc [Accessed 23 May 2022].

Giritli Nygren, K. and Olofsson, A. (2020) "Managing the Covid-19 pandemic through individual responsibility: the consequences of a world risk society and enhanced ethopolitics," *Journal of risk research*, 23(7–8), pp. 1031–1035. doi: 10.1080/13669877.2020.1756382. [Accessed: May 11, 2022]

Greve, B. (2018) "At the heart of the Nordic occupational welfare model: Occupational welfare trajectories in Sweden and Denmark," *Social policy & administration*, 52(2), pp. 508–518. doi: 10.1111/spol.12380. [Accessed: May 03, 2022]

Greve, B. *et al.* (2020) "Nordic welfare states-still standing or changed by the COVID-19 crisis?," *Social policy & administration*, 55(2), pp. 295–311. doi: 10.1111/spol.12675. (Accessed: May 11, 2022)

Hansen, J. P. *et al.* (2021) "The effect of the March 2020 COVID-19 lockdown on national psychiatric contacts in Denmark: An interrupted time series analysis," *Brain and behavior*, 11(8), p. e2264. doi: 10.1002/brb3.2264. [Accessed: May 11, 2022]

Hayes, A. (2022) *Unemployment Definition and Types*, *Investopedia*. Available at: https://www.investopedia.com/terms/u/unemployment.asp (Accessed: May 13, 2022)

Hendeliowitz, J. (2008) *Employment region Copenhagen & Zealand the danish national labour market authority danish employment policy national target setting, regional performance management and local delivery*, *Oecd.org*. Available at: https://www.oecd.org/employment/leed/40575308.pdf (Accessed: May 9, 2022)

Holmager, T. L. *et al.* (2021) "Geography of COVID-19 in Denmark," *Scandinavian journal of public health*, 49(1), pp. 88–95. doi: 10.1177/1403494820975607

Hoogerwerf, A. (1990). Reconstructing policy theory. Evaluation and Program Planning, [online] 13(3), pp.285–291. doi:10.1016/0149-7189(90)90059-6. Available at:<https://www.sciencedirect.com/science/article/pii/0149718990900596> (Accessed 10 May 2022)

Humlum, A. and Munch, J. R. (2019) "Globalization, Flexicurity and Adult Vocational Training in Denmark," in Bacchetta, M., Milet, E., and Monteiro, A. (eds.) *MAKING GLOBALIZATION MORE INCLUSIVE Lessons from experience with adjustment policies*, pp. 51–69. Available at: https://www.sipotra.it/wp-content/uploads/2019/12/Making-Globalization-More-Inclusive-Lessons-from-experience-with-adjustment-policies.pdf#page=64 (Accessed: May 9, 2022)

Iversen, T. (2019) *A-kasse in Denmark*, *A-kasse bloggen*. Find-A-Kasse-Priser.dk. Available at: https://www.find-a-kasse-priser.dk/wp/a-kasse-in-denmark-unemployment-benefits-guide/ (Accessed: May 10, 2022)

Johansson, C. and Selberg, N. (2020) *Covid-19 and Labour Law: Sweden*, *Unibo.it*. Available at: https://illej.unibo.it/article/view/10774/11104 (Accessed: May 12, 2022)

Juranek, S. *et al.* (2020) "Labor market effects of COVID-19 in Sweden and its neighbors: Evidence from novel administrative data," *SSRN Electronic Journal*. doi: 10.2139/ssrn.3660832.
KPMG (2020) *Denmark - Government and institution measures in response to COVID-19*, *KPMG*. Available at:

https://home.kpmg/xx/en/home/insights/2020/04/denmark-government-and-institution-measures-in-response-to-covid.html (Accessed: May 15, 2022)

Kvist, J. (2021) *ESPN Thematic Report: Social protection and inclusion policy responses to the COVID-19 crisis - Denmark*. (Accessed: May 14, 2022)

Lindström, M. (2020) "The COVID-19 pandemic and the Swedish strategy: Epidemiology and postmodernism," *SSM - population health*, 11(100643), p. 100643. doi: 10.1016/j.ssmph.2020.100643. (Accessed: May 09, 2022)
Ministry of health (no date) *Healthcaredenmark.dk*. Available at: https://www.healthcaredenmark.dk/media/ykedbhsl/healthcare-dk.pdf (Accessed: May 16, 2022)

Local, R. and Local, R., 2022. Denmark reinstates wage compensation for Covid-19-hit businesses. [online] The Local Denmark. Available at: <https://www.thelocal.dk/20211210/denmark-reinstates-wage-compensation-for-covid-19-hit-businesses/> [Accessed 17 March 2022]

Mustafa, Ghulam & Yaseen, Zahid & Arslan, Muhammad & Imran, Muhammad & Nisa, Zeb. (2021). THEORETICAL APPROACHES TO STUDY THE PUBLIC POLICY: AN ANALYSIS OF THE CYCLIC/STAGES HEURISTIC MODEL. 18. 1307-1321. Available at: <https://www.researchgate.net/publication/354681898_THEORETICAL_APPROACHES_TO_STUDY_THE_PUBLIC_POLICY_AN_ANALYSIS_OF_THE_CYCLICSTAGES_HEURISTIC_MODEL> (Accessed 10 May 2022)

Nilsen, P. *et al.* (2020) "Implementing social distancing policy measures in the battle against the coronavirus: protocol of a comparative study of Denmark and Sweden," *Implementation science communications*, 1(1), p. 77. doi: 10.1186/s43058-020-00065-x. (Accessed: May 11, 2022)

Nordens Fackliga Samorganisation. 2022. The Nordic Model - Council of Nordic Trade Unions. [online] Available at: <https://nfs.net/en/what-we-do/the-nordic-region/the-nordic-model/> [Accessed 17 March 2022]

Nordic Co-Operation (no date) *Unemployment benefit in Sweden*, *Nordic cooperation*. Available at: https://www.norden.org/en/info-norden/unemployment-benefit-sweden (Accessed: May 16, 2022)

Nordic Council of Ministers (2010) *Facts about the Nordic countries*, *Nord.com*. Nordic Council of Ministers (Accessed: May 18, 2022)

Nordic Welfare Centre (2022) The Nordic model and social sustainability, NVC. Available at: https://nordicwelfare.org/en/nyheter/the-nordic-model-and-social-sustainability/ (Accessed: May 23, 2022)

Nutt, P. C. (1999). Surprising but true: half the decisions in organizations fail. Acad. Manag. Execut. 13, 75–89. doi: 10.5465/ame.1999.2570556 (Accessed 10 May 2022)

Obst, T. and Schläger, D. (2022) *Zwei Jahre Pandemie: Wer sind die Gewinner und Verlierer?* (Accessed: May 18, 2022)

Oskar, L. H. *et al.* (2020) *Covid-19 Crisis Response Monitoring: Sweden*, *Iza.org*. Available at: https://covid-19.iza.org/wp-content/uploads/2020/05/IZA_CrisisMonitoring_SE.pdf (Accessed: May 11, 2022)

Pillai, S. *et al.* (2020) "COVID-19: Situation of European countries so far," *Archives of medical research*, 51(7), pp. 723–725. doi: 10.1016/j.arcmed.2020.05.015. (Accessed: May 09, 2022)

Rollinski-Sadowska, E. (2014) *Transformation of European Labour Market Policy Models - exemplified by Denmark, Germany and the United Kingdom*, *The central European Journal of Social Sciences and Humanities*. Available at: http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.hdl_11320_2904. (Accessed: May 15, 2022)

Schneider, G. (ed.) (2022) "Unemployment and Price Instability," in *Economic Principles and Problems - A Pluralist Introduction*. Routledge, pp. 623–655

Seemann, A. *et al.* (2021) "Protecting livelihoods in the COVID-19 crisis: A comparative analysis of European labour market and social policies," *Global social policy*, 21(3), pp. 550–568. doi: 10.1177/14680181211019281. (Accessed: May 14, 2022)

Shafritz, J. M., & Hyde, A. C. (1997). Classics of Public Administration. Harcourt Brace College Publishers. Available at:
Soares, J. M., Sampaio, A., Ferreira, L. M., Santos, N. C., Marques, F., Palha, J. A., et al. (2012). Stress-induced changes in human decision-making are reversible. Transl. Psychiatry 2:e131. doi: 10.1038/tp.2012.59 (Accessed 10 May 2022)

Soested, M. und Munkholm, N. V. (2020) COVID-19 and labour law: Denmark, Unibo.it. Available at: https://illej.unibo.it/article/view/10803/10710 (Accessed: May 14, 2022)

Statistics Denmark (2021) COVID-19 and its influence on some aspects of sustainable development in Denmark (Accessed 10 May 2022)

Statistikdatabasen (2021) *Total health care expenditures in relation to GDP 2001 - 2020*, *Statistikdatabasen*. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NR__NR0109/HCBNP/table/tableViewLayout1/ (Accessed: May 18, 2022)

Sweden COVID - Coronavirus statistics - worldometer (no date) *Worldometers.info*. Available at: https://www.worldometers.info/coronavirus/country/sweden/ (Accessed: May 16, 2022)

Swedish Institute (2022) *Healthcare in Sweden*, *sweden.se*. Available at: https://sweden.se/life/society/healthcare-in-sweden (Accessed: May 18, 2022)

Takemura, K. (2020). Behavioral Decision Theory. [online] Oxford Research Encyclopedias. Available at: <https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-958> [Accessed 10 May 2022]

The Local DK (2020) "Danish unemployment at lowest level since March." Available at: https://www.thelocal.dk/20200812/danish-unemployment-at-lowest-level-since-march/ (Accessed: May 14, 2022)

The Local DK (2021) "Labour shortage hits half of Danish companies in construction sector." Available at: https://www.thelocal.dk/20211028/labour-shortage-hits-half-of-danish-companies-in-construction-sector/ (Accessed: May 14, 2022)

The Swedish school system (2021). Available at: https://sweden.se/life/society/the-swedish-school-system (Accessed: May 18, 2022)

TRADING ECONOMICS (no date) "Sweden - Public spending on education, total (% of GDP)." Available at:

https://tradingeconomics.com/sweden/public-spending-on-education-total-percent-of-gdp-wb-data.html (Accessed: May 18, 2022)

Tripartite agreement (2018) Star.dk. Available at: https://www.star.dk/en/social-partners/tripartite-agreement/ [Accessed 17 March 2022]

Vamstad, J. (2007) "Theoretical considerations," in *Governing Welfare The Third Sector and the Challenges to the Swedish Welfare State*. Östersund. Available at: https://www.diva-portal.org/smash/get/diva2:325059/FULLTEXT01.pdf (Accessed: May 18, 2022)

Von Tiedemann, C. (2021) "So viele Job-Angebote gab es in Dänemark noch nie," *Der Nordschleswiger*, 13 December. Available at: https://www.nordschleswiger.dk/de/nordschleswig-daenemark-gesellschaft/so-viele-job-angebote-gab-es-daenemark-noch-nie (Accessed: May 13, 2022)

Wikipedia Contributors (2019). Prescriptive analytics. [online] Wikipedia. Available at: https://en.wikipedia.org/wiki/Prescriptive_analytics.

Winberg, C. (2020). The Danish Wage Compensation Scheme helping companies and employees through the Covid-19 pandemic. [online] www.da.dk. Available at: https://www.da.dk/en/politics-and-analysis/2020/the-danish-wage-compensation-scheme-helping-companies-and-employees-through-the-covid-19-pandemic/ (Accessed: May 14, 2022)

Wolak, J. (2013). Catastrophic politics: how extraordinary events redefine perceptions of government, by Lonna Rae Atkeson and Cherie D. Maestas. Polit. Commun. 30, 515–517. doi: 10.1080/10584609.2013.805683 (Accessed 10 May 2022)
Working in Denmark (n.d.) Djoef.dk. Available at: https://www.djoef.dk/english/working-in-denmark.aspx [Accessed 17 March 2022]

Yarmol-Matusiak, E. A., Cipriano, L. E. and Stranges, S. (2021) "A comparison of COVID-19 epidemiological indicators in Sweden, Norway, Denmark, and Finland," *Scandinavian journal of public health*, 49(1), pp. 69–78. doi: 10.1177/1403494820980264. (Accessed: May 09, 2022)

Zoppe, A. (n.d.). Economic governance | Fact Sheets on the European Union | European Parliament. [online] www.europarl.europa.eu. Available at: https://www.europarl.europa.eu/factsheets/en/sheet/87/economic-governance#:~:text=Economic%20governance%20refers%20to%20the [Accessed 16 May 2022].