Impact of Reforms on Inequalities in Norway:

A Thematic Review 2017

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Preface

This paper was initially commissioned by the European Centre of Expertise in the field of labour law, employment and labor market policy (ECE) in the UK in November 2016, as part of a facts gathering mission on behalf of The European Commission in Brussels. Thematic country articles on inequality have been prepared for most EU and EEA countries. The country articles will serve as underlying documents for a EU Thematic Review Synthesis on Inequalities in European countries. The thematic country articles for the 27 Member States that are part of the European Semester process and that receive Country Specific Recommendations (CSRs) will be published on the Europa website, but not the country articles on Greece and non-EU countries. Since the thematic review on Norway may be of interest to readers within and outside Norway, I have published the review as part of the Oslo and Akershus University College report series.

Oslo, 30 August 2017
Einar Øverbye

Contents

1 Introduction: Overview of inequality in Norway

1.1. Trends in inequality

We rely on data from Statistics Norway in this paper. Income is measured as registered income after tax. The income definition is close to the “practical” definition of income, as recommended in the Canberra report (United Nations Economic Commission for Europe 2011, quoted in Omholt 2016). This definition is used in most OECD countries. See Annex 2.1 for a further discussion of the characteristics of the “practical” income definition.

Income data are available until 2015. Data for 2016 will only become available in the autumn of 2017.

Norway has 5.2 million inhabitants (2016 estimate). The long-term trend in income inequality from the mid-1980s to 2006 showed a slow but steady increase. Between 2006 and 2009 differences were stable. After 2009 they have again showed a slow but steady increase (Langeland, Dokken, Furuberg and Lima 2016).

The Gini index, P90/P10 and S80/S20 are three overall measures for income differences.[1] As regards developments after the economic crisis in 2009, the Gini index moved from 0.236 (2010) to 0.263 (2015). P90/P10 moved from 2.6 (2010) to 2.8 (2015). S80/S20 moved from 3.3 (2010) to 3.8 (2015). Gini and S80/S20 show an extra uptick between 2014-2015 (See Annex 2.2 excel: Measures of income dispersion, and for additional details Annex 2.3. excel: Household equivalent income, percentile cut-offs EU scale.)

The distribution of (net) wealth is more unequal than the distribution of income. The distribution of net wealth became more equal between 2010-2012, but since 2012 wealth inequality has been on the rise. In 2010 the top 1 percent controlled 20.1 percent of net wealth, down to 18.1 percent in 2012, and up again to 19.8 percent in 2015 (Annex 2.4 Excel: Share of net wealth).

Norway avoided the financial crisis of 2008/9. Unemployment remained low until 2013; the October 2013 figure was 3.5 percent. Following a reduction in oil prices, unemployment has since risen to 4.8 percent (October 2016) (Statistics Norway 2016a: Unemployment). Rising unemployment is concentrated on the Norwegian West Coast, where the petroleum industry is important. Low income is more common among groups who are outside the labour market, hence there is a correlation between unemployment and income inequality.

There has been a slow growth in the percentage on low income (measured by EU-50 as well as EU-60) since 2009. In 2010, 4.6 percent of the total population had a household income per consumption unit below 50 percent of the median (EU-50). 9.4 percent had an income below 60 per cent of the median (EU-60). In 2015, the percentages had risen to 5.5 (EU-50) and 10.9 (EU-60) (Annex 2.5 excel: Persons with low income; see also Table 1).

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[1] P90/P10 is the ratio of the upper bound value of the ninth decile (i.e. the 10% of people with highest income) to that of the first decile. The S80/S20 ratio is the ratio of total income received by the 20% of the population with the highest income (the top quintile) to that received by the 20% of the population with the lowest income (the bottom quintile).

There are many ways to further differentiate the segment of the population living on low income. Table 1 differentiates between Norwegian-born, immigrants, and children of immigrants.

Table 1. Percentage living on low-income in 2010 and 2015. Source: Statistics Norway. See Annex 2.5 for excel sheet.				
	EU-50		EU-60	
	2010	2015	2010	2015
Total population	4,6	5,5	9,4	10,9
Immigrants from Western Europe, North America or Oceania ("Western" countries)	12,0	10,7	16,4	15,3
Born in Norway by parents from Western Europe, North America or Oceania	5,6	5,9	10,6	11,1
Immigrants from Eastern Europe, Asia, Africa or Latin America	20,8	23,2	33,4	36,2
Born in Norway by parents from Eastern Europe, Asia, Africa or Latin America	13,7	11,4	20,9	19,0

Low income in 2010 as well as in 2015 is more prevalent among immigrants than among Norwegian-born, in particular among immigrants from "non-Western" countries (for lack of a better term). Norwegian-born children of immigrants occupy intermediate positions (notice that Statistics Norway define a person as Norwegian-born with immigrant parents only if both parents are born outside Norway). Norwegian-born children of immigrants from "Western" countries have low-income levels almost on par with the total population. Finally, immigrants from "Western" countries as well as children of immigrants from "non-Western" countries have reduced the gap vis-à-vis the total population between 2010 and 2015, since the percentage on low income has declined in these groups.

If one splits immigrant categories further up, there are large variations within these broad categories. None the less, table 1 shows that the low-income trajectory varies between immigrant groups. It does not always follow the general trajectory in the total population (i.e. toward an increased percentage on low income since 2010).

An alternative way to differentiate the segment with low income is to use sociodemographic groups. Young single-person households, young households without children, single parent households, and two-parent households with small children have had a weaker increase in their incomes after 2009 than the average Norwegian household. The opposite pattern can be found among those 67 and above (the formal pension age in Norway is 67 years). Traditionally a low-income group, the share of 67+ with low income has decreased steadily since the late 1990s, and is now smaller than among the total population (Langeland et al op. cit., Omholt 2016, see also Annex excel 2.6 low income, socioeconomic group).

A third way to split up the segment living on low income is to look at groups that receive various welfare benefits. There is high prevalence of low income among recipients of social assistance, and among immigrants who receive the so-called introduction benefit (targeted mainly at refugee and asylum seeker immigrants and their families, and usually awarded for two years for those having been granted permanent residency). An increasing share of people with low income has also emerged among people who receive health-related benefits, including the disability pension; plus among recipients of the so-called qualification benefit (a slightly-more generous social assistance benefit for claimants who has the potential for retraining) (Langeland et al op cit). The exception is the percentage living on low income among old age pensioners, which – as stated above - has been declining since the 1990s.

The percentage living on low incomes is higher in urban than rural areas. Oslo: 15.8 percent below the low income threshold in 2014, using EU-60 (Langeland et al op cit).

Slightly fewer persons have persistent low income during a three-year period, compared to annual low income. For the three-year period 2012-2014, 9 percent of the population (excluding student households) lived below the EU-60 threshold. Long term low-income was particularly prevalent among households with three or more children (Annex 2.7 excel: long-term low income).

It is more common to struggle financially among low-income groups than in the general population (Langeland et al op cit). Health conditions are also on average worse among groups with low income (Pedersen 2013).

All income brackets have experienced a substantial income growth if the last 10 years is seen as a whole, and even more so in a longer time perspective. Also, since the median income is high, the Norwegian low income threshold is among the highest in Europe - even after adjusting for differences in purchasing power parities (PPPs) (Omholt 2016). In a European perspective, Norway still has a small proportion with low income (op.cit.). Since comparative data are readily available through the OECD and Eurostat data bases, we do not refer further to comparative European income data in this paper.

For additional data on income and wealth in Norwegian households, download excel files from the Statistics Norway Statbank (Statistics Norway 2016b).

1.2. The national context

Some basic information of the Norwegian system of politics, industrial relations and welfare arrangements are necessary to contextualize recent 2015-16 relevant reforms.

1.2.1 Political context

Norway is a parliamentary democracy with a royal figurehead (similar to the UK). Elections are based on proportional representation. There are normally 8-9 parties represented in the Parliament (Stortinget). The right-left axis is dominant, but small "center parties" control the crossover vote.

Multiple parties represented in Parliament usually prevent any single party from gaining absolute majority. Since 1961, every government has been either a minority government or a majority coalition government. From 2013, Norway has been ruled by a minority-coalition government consisting of the Conservative Party (Høyre) and the Progress Party (Fremskrittspartiet); with tacit support from the Christian People's Party (Kristelig Folkeparti) and the Liberal Party (Venstre). The opposition parties at present consist of the Labor Party (Arbeiderpartiet), plus three smaller parties: the Agrarian Party (Senterpartiet), the Green Party (Miljøpartiet) and the Socialist Party (Sosialistisk Venstreparti).

1.2.2. Industrial relations context

Wage negotiations are quite centralized in Norway. The central level in the main confederation of trade unions (LO) has a fairly strong grip on member unions (more than the central level in otherwise somewhat similar British TUC). Other confederations of trade unions (Unio, YS, Akademikerne) have (so far) by and large accepted the LO lead in wage negotiations. Equally important, the federations of employers are also quite centralized, and also on the employers' side smaller federations (HSH, Spekter) have by and large accepted the lead of the main federation (NHO). All employees in the public sector and approx 75 percent of employees in the private sector are covered by a collective agreement.

According to an influential theory by Barth, Moene and Wallerstein (2003) the rather centralized structure of industrial relations is responsible for the compressed wage structure that can be observed in Norway. They argue that large and centralized unions tend to show wage restraint, since the unemployed are potential members of "their" unions; plus that it is difficult for centralized unions to justify demanding higher wage increases for high-income members than for low-income members. This implies that centralized unions show particular wage restraint on behalf of high-income workers (relative to how wages are determined in a context with strong but fragmented unions, or weak or non-existent unions).

Barth et al claim that the effect of this compressed wage structure has been to weed out firms not able to use labour efficiently (thus not being able to afford high minimum wages), while increasing profits for firms dependent on skilled labour (benefiting from high-wage compression); thereby allowing such firms to expand faster. In the longer run, this is supposed to enhance overall productivity and reward owners of high-skill companies with high profits.

The Barth et al theory of wage compression is influential in the Norwegian debate, but it should be supplemented by at least two additional factors when considering the puzzlingly compressed Norwegian wage structure. The first factor is large subsidies in secondary and tertiary education. This may create oversupply, and hence downward wage pressure on skilled occupations. The second factor is pure luck. Norway is an extraordinary lucky country. Norway has been able to maintain a tight labour market (which helps boost minimum wages), even when coupled with record levels of net immigration since 2009, due to being blessed with large natural resources that luckily stayed in high demand also during the economic crisis; at least until oil prices took a (temporary?) dive in 2013/14.

In the long period with close to full employment, petroleum revenues were invested abroad to prevent overheating the inland economy, resulting in a foreign-invested large nest egg that can now be used to combat the present rise in unemployment (see further elaboration in "conclusions").

1.2.3. Welfare system context

A system of broad-coverage social security benefits, plus health and social services, are in place. The take-up of health-related benefits is much higher than the take-up of unemployment and social assistance benefits (Meld. St 12 (2012-13), Hatland and Øverbye 2012). Arguably, groups that in other European countries are mainly served by the unemployment or social assistance benefit system are mainly served by the rehabilitation (AAP) or disability benefit system in Norway. Although the take-up of health-related benefits is high in a European context, the percentage of the working-age population active in the labour force is also high in a European context. In 2015 the percentage that was active in the labour force was higher only in Switzerland and Sweden (OECD 2016). The explanation is that homemakers (housewives and the like) are almost an extinct social category in Norway. This is the situation even among elderly working-age women (apart from married women in some ethnic minority groups). It is only a slight exaggeration to say that working-age Norwegians are either in the work force or on health-related benefits. Few are provided for within the family, and not many are on unemployment or social assistance benefits either. Also notice that the formal pension age has never been lower than 67 years (although there are opt-out possibilities from age 62 onwards).

Broad coverage and high minimum levels in the social security system pushes up the reservation wage for low-income workers, adding yet another factor in explaining the compressed Norwegian wage structure.

1.3. What are the main drivers behind the slow rise in income inequality?

We cannot run controlled experiments to find out which of the many social, economic and policy changes that have taken place during the last decade that have an impact on income inequalities. However, the rise in inequality appears to be a slow, continuous build-up rather than a sudden change. This suggests that increased inequality is caused by slow changes in the social and economic structure of Norwegian society, rather than by some dramatic policy change (of which there have been none during the last decade), or by an abrupt economic crisis (of which there has also been none, since Norway avoided the 2009 crisis).

In the December 2016 report from the Labour and Social Security administration titled "Poverty and levels of living in Norway", Langeland and colleagues (op.cit.) argue that three socio-economic changes are responsible for the slow rise in inequality: 1) increases in capital incomes and wealth (including price increases on owner-occupied homes), 2) increased immigration, and 3) increased unemployment (after 2014).

We will come back to the importance of these socio-economic changes in the conclusion. Already at this stage, however, it can be noticed that none of these changes are directly related to specific political decisions. To the extent that these socio-economic changes are influenced by policy decisions, it is due to an accumulation of many mostly minor policy decisions taken over several decades, rather than a few fateful "grand" reforms.

2 Important reforms and their impact on inequalities

The ECE paper guidelines specify that only policy changes in 2015 or 2016 are to be analysed. Which policy reforms introduced or implemented since 1st January 2015 have had an important effect on income inequalities in Norway? The short answer is that it is too early to tell. Perhaps none will turn out to be important, at least compared to reforms implemented before 1.1.2015.

Most reforms introduced after 1.1.2015 will have an effect at the earliest in 2016. As stated in the introduction, income data from 2016 will first become available in autumn 2017. Thus we have no data to say anything about effects beyond 2015. Long-term effects are of course even more impossible to assess, until data from years even beyond 2016 become available.

Lacking data, we can offer educated guesses. We have singled out five reforms enacted since 1.1.2015 where it is reasonable to expect some effect on the future income and wealth distribution: wealth tax reform, disability benefit reform, social assistance reform, temporary employment reform, and minimum pension reform. Most of these reforms are mentioned by authors who study distribution-related policy change in Norway (Dahl and Lorentzen 2016). Let us present them one at a time.

2.1. Wealth tax reform

Wealth tax in Norway has steadily been reduced over the last years, from a high of 1.1% of net wealth above NOK 470.000 in 2009. The government has further reduced the tax on wealth in several steps since it took office in 2013. The tax will be 0.85% of net wealth over NOK 1.480.000 (approx EUR 165.000) for 2017. The biggest change is the cut in the percentage taxed by the state, reduced from 0.4% for 2012 to 0.15% from 2014 onwards. The municipal wealth tax has not changed from 0.7% in this time period, but both municipal and state taxes have been cut by increasing the limit from which tax is applied at an above-inflation rate (e.g. a 5.7% limit increase between 2016 and 2017).

The government has also reduced the corporate tax in several steps (Statsministerens kontor 2016). The corporate tax was reduced from 27 percent to 25 percent between 2015 and 2016, and a further reduction to 24 percent in 2017 has been scheduled (Regjeringen.no 2015, 2016). An even further reduction to 23 percent is planned for 2018.

At the same time as the wealth tax and the corporate tax was reduced, the income tax on dividends was increased (effective from 1.1.2016). The wealth taxation reform is thus not simply a tax reduction reform. The reform also implies to tax income generated from wealth (i.e. dividends) more severely, while taxing company wealth more leniently. An underlying idea is to move wealth taxation away from "productive" use of capital toward "passive" use of capital.

We mention this reform first, because it is the only reform in 2015 where we can already empirically observe an effect. As mentioned in the introduction, income inequalities made an extra uptick between 2014 and 2015. Statistics Norway (2016c) argues that this uptick was caused by a spike in the number of households that took out dividends in 2015. These were mainly high-income households in the first place, and they anticipated the rise in dividend taxation that became effective in 2016. The current plan is to further step up the tax on dividends until 2018.

This uptick in income inequality due to increased outtake of dividends in 2015 is likely to remain a short-term effect: We should expect a reduction in the extraction of dividends at least from 2018 onwards (when the higher tax on dividends levels off).[2]

An idea behind the wealth tax reform (or reforms) is to tax "consumption use" of capital and reward "productive use". This idea was also one of the motivations behind a 2013 decision to abolish the inheritance tax, effective from 1.1.2014 (Arveavgift, 2016). Although introduced before 2015, the inheritance tax reform should be seen as an element of the same, ongoing wealth tax reform: As Norway abolished the inheritance tax, Parliament simultaneously sharpened the tax concerning selling inherited wealth. After 2014 an heir taking over his/her parent's firm avoids an inheritance tax, but if he/she later sells the firm (or shares in the firm), the tax on the sale is as sharp as the tax his/her parents would have had to pay if they had sold the firm (which was not the situation before 2014). The idea is to allow a smooth transition of "productive" inherited capital, but to punish wealthy people if and when they decide to liquidate their inherited wealth and turn it into an income stream meant for consumption.

The hoped-for long-term effect of the ongoing wealth tax reform is to spur productive investment and hence economic growth, by rewarding capital owners who put their capital to productive uses, and punish those who "go passive" by taking out dividends, or selling assets. A second motive, although not explicitly stated, might be to avoid capital flight to other countries, and/or make Norway more attractive as a haven for "productive" capital.

What are likely effects on the distribution of wealth? The decrease in the wealth tax and corporate tax, plus abolishing the inheritance tax, will probably lead to a longer-term increase in wealth inequalities. The reduced wealth tax may even lure some of the rich Norwegians who have formally settled abroad back home, which will further increase registered Norwegian wealth inequalities.[3]

How about the hoped-for economic growth-boost of the reforms? That is too early to tell. We will have to wait, do evaluations, and see. But let us spell out some of the worries:

There are several less-visible ways to take out wealth for "consumption" purposes besides selling assets, or taking dividends. (The list of available options necessitates knowledge about the fine print of Norwegian corporate taxation too complex to go into in a short paper.) If these less-visible ways are utilized more, the economic growth-boost of the reform will be limited.

Second (and related), the reform may lead to increased gaming of the corporate tax system. The amended tax system may reward sly outtakes of capital, while punishing those who take out a clear (transparent) dividend, or simply sell their assets. Less

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[2] The government has simultaneously slightly reduced the highest marginal tax rate in the income tax system (Regjeringen.no 2015, 2016). However, compared to the changes in the wealth tax system, this is a marginal reform in all meanings of the word.
[3] For example the shipping mogul John Fredriksen, with a registered net wealth of USD 9.8 billion (Forbes 2017). Fredriksen is presently a resident of Cyprus, doing his part to boost Cyprian instead of Norwegian wealth inequalities.

transparency in how wealth is used, and for which purposes, is not particularly desirable.

A third worry is that the tax reform will stimulate capital owners to invest (even) more in "passive" real estate, rather than in enterprises that actually produce something; thus further contributing to the steep, ongoing rise in housing prices in our cities. This worry is related to the fact that real estate is taxed more leniently than other forms of capital. The government has attempted to counter this worry by increasing capital requirements when buying residential real estate in the highly-pressured Oslo-area (with exceptions for primary residences), plus increasing the paper value on non-primary real estate (Regjeringen.no, 2016). These are rather weak counter-measures, however, as non-primary real estate are still valued at a significant discount compared to other asset classes and the banks still have plenty of wiggle-room to make exceptions to the capital requirements.

While the productive incentive-effects of the tax reforms are somewhat uncertain, the distribution effects are a bit more certain. A long-term tendency is likely to be a further concentration of wealth in Norway. In the very long term, perhaps stronger family dynasties will emerge. Private-sector dynasties have been limited in Norway in the past (there has never been anything resembling the Wallenberg family in Sweden for example), but things can change.

Related to the last point, Moene (2016) points out that Norway already has a larger percentage of multi-millionaires (defined as persons with net wealth above USD 30 million) per capita than for example USA. The "super-rich" are not as rich as in the US: while the 0.1 percent richest in the US receive 11 percent of the national income, the 0.1 percent richest Norwegians who maintain their Norwegian residency (and hence are taxed in Norway) only receive 2.5 percent of the national income. But wealthy people are more numerous: per million inhabitants, there are 536 very wealthy citizens (net wealth above USD 30 million) in Norway, compared to 161 in the US (op.cit.)[4]

2.2. Disability benefit reform: Curbing the benefit for people on disability benefits who live in households with children

Norway awards an earnings-related disability pension combined with a minimum benefit for those becoming disabled without a previous labour market record. The earnings-related part provides between 50 and 66 percent of previous earnings (higher percentage for low-income earners). Approx 9 percent of the working-age population (between 18 and 66 years) receive a disability pension (Halvorsen, Stjernø and Øverbye 2016, 132). In addition to the benefit itself, disability pensioners can get extra means-tested child supplements. This extra child supplement can only be claimed by disability pensioners. It comes in addition to a regular flat-rate child benefit, awarded to all households with children below age 18.

[4] The average Norwegian is approx 23 percent richer than the average US citizen, on an income per capita basis (op.cit.). Also, different data sources provide somewhat different estimates. However, even when taking conflicting estimates and higher average incomes into account, it seems a safe conclusion that the very wealthy are more numerous in Norway – which may in the longer run (and in the absence of inheritance taxes) translate into a future upper class with considerable political clout.

In 2015, the parliament introduced several changes in the disability pension system, effective from 1.1.2016. From a redistributional perspective, the most important is an amendment to the social security law stating that the sum of the disability benefit and means-tested child benefits cannot exceed 95 percent of the previous earnings of the disability pensioner (Halvorsen et al op cit; Nav 2016).[5]

The justification for the amendment was a fear that the old rule might provide an incentive to get undue access to the disability pension, since the sum of the pension and the special child supplements (only granted to disability pensioners, not to low-income workers) sometimes came close to, or even exceed, previous earnings.

A tiny percentage of the population are disability pensioners who support children. Hence this measure is hardly likely to make an impact on the Gini coefficient, which is not sensitive to changes at the extreme tails of the income distribution, occupied by small groups of people. It may show up on income dispersion measures more sensitive to the tails, such as P90/P10 (and even more so P95/P05, see Annex 2.3). Also notice that more than 40 percent of families with three or more children live under the EU-60 threshold (see Annex 2.6). It is a fair guess that this percentage is even higher among households headed by disability pensioners with many children.

The hoped-for effect of the reform is to reduce the incentive to unduly apply for a disability pension among low-wage earners who care for children. If the reform has this effect, the distributional effect will be limited. However, it is not easy to get a disability pension, and the rules have been tightened several times. In order to be granted even a partial disability pension the claimant must have at least a 50 per cent reduced work capacity. And the reduced capacity must "mainly" stem from diagnosed, health-related problems. The rules have been gradually more stringently applied during the last decade, illustrated by a levelling-off, and then a slight reduction, in the percentage of the population on disability benefits (Halvorsen et al 2016). If the "incentive" effect of the reform turns out to be small, the main effect of the reform will be to reduce the incomes of disability pensioners and their children. In short, the reform will increase child poverty.

The effect of the reform will be felt mainly in some ethnic minority groups, since disability pensioners living in households with children – in particular three or more children – are mainly ethnic minority households.

2.3. Social assistance reform: Strengthening the "workfare" requirement in the social assistance scheme (bottom-floor safety net)

Decided upon in 2016 and effective from 1.1.2017, the government has strengthened the work requirement in the bottom-floor, means-tested social assistance system. Municipalities run the social assistance system, and the system is funded from municipal tax revenues, supplemented by block grants from the state (i.e. grants not earmarked for specific municipal expenditures). Previous legislation specified that municipalities could demand that claimants worked for social assistance benefits, but made this up to the municipalities to decide. The amendment of the law specifies that municipalities must demand that claimants work for benefits for claimants below age

[5] Another amendment was to make the disability pension taxable. That was however offset by higher benefit levels.

30, unless there are explicit reasons not to do so (to be determined on a case-by-case basis) (Lovdata, 2016).

The government hopes that the reform will provide more claimants with on-the-job training, and thus create more self-sustained claimants in the longer run. A counter-argument is that social assistance claimants who are deemed to have a potential for future employment should be offered the alternative “qualification program”, which is a somewhat more generous social assistance scheme (also run and financed by municipalities) targeted at claimants deemed capable of re-education and future work.

Studies of municipalities that have already introduced “workfare” on a massive scale, suggests that the main effect of the reform is to discourage social assistance claims, i.e. to reduce take-up of social assistance. The caseload reduction is between 15 to 30 percent (Dahl, 2016).

Again, it is impossible to know before the implementation date what will be the distributional effect of the reform, but we can offer educated guesses.

If we can assume (which seems likely) that the new rule will result in a similar caseload reduction on a national scale, the distributional consequences will depend on what the discouraged claimants do instead. In a sunny scenario, the discouraged claimants are people who are able but unwilling to work. Since they cannot any longer claim social assistance (without being obliged to work for the benefit), they may instead opt for getting “real” work at the regular labour market. If this scenario is the most realistic, the effect of the reform will be reduced inequality, if the discouraged claimants get work at higher wages than the social assistance benefit (perhaps a big if). The opposite, dark scenario is that discouraged claimants are “borderline ill” people: They are not sufficiently ill to qualify for a disability pension, but not sufficiently well to function in a regular job (mental health issues in particular are often a concern related to youth unemployment). If this is the case, perhaps they will continue to live in the basement of their parent’s house, or finance their lives by shacking up with random boy/girlfriends, or engage in petty crime and prostitution. In short: Join the ranks of the NEET (Not in Employment, Education or Training). If this scenario is the most realistic, inequality is likely to increase.

A caveat: Municipalities still have the loophole not to demand work for the benefit, on a case-by-case basis. The effect of the new law will be limited if many municipalities opt for this safety clause. We will simply have to wait and see if the new law has a large impact on how municipalities organize social assistance. (Let it in passing be mentioned that municipalities are also autonomous to decide the size of social assistance benefits. There are national benefit guidelines, but they are not legally binding.)

The effect of the reform will be felt mainly among some ethnic minority groups, since ethnic minorities are overrepresented among social assistance claimants. The percentage of social assistance claimants with an immigrant background was 44,4 percent in 2014 and rose to 46,7 percent in 2015. The majority of these recipients constitute immigrants from Africa or Asia, characterized by short residency records, often with an asylum seeker background, and limited secondary education (Langeland et al op cit p 37-41). (At the same time, only 4 percent of all immigrants receive social assistance.)

2.4. Temporary employment reform: Allowing more temporary work

Parliament amended the Working Environment Act in 2014. The changes came into effect 1.1.2015. The changes included issues like temporary employment, working time limits, and age limits. The most controversial part of the reform concerned temporary employment contracts. Prior to 2015, fixed labour contracts were the norm. The reform included a general admission to hire employees up to 12 months on temporary contracts. (Some constraints still apply, including an upper limit of 15 percent of staff that can be hired temporarily (Dahl and Lorentzen 2016).)

The government hopes that the reform will ensure greater labour market flexibility and give more people a chance to gain an initial foothold in the labour market; in particular assumed "marginal" labour such as young people, people with disabilities, and refugee immigrants with limited secondary education. If this hope prevails, the effect is likely to be reduced inequalities; assuming that people on temporary contracts would otherwise be unemployed, and/or living on lower welfare benefits (Innst. 207 L, 2014-15). Alternatively, in a dark scenario, temporary employment will instead increase at the expense of permanent employment (Røed Steen 2015). If so, the effect of the reform is likely to be the creation of a larger group of workers who might be cautious to voice wage demands (in the fear of being laid off), possibly resulting in less income equality.

2.5. Minimum pension reform: Increasing the minimum pension for single minimum pensioners

The government in 2015 introduced a NOK 4000 (Eur 440) hike in the minimum pension for single pensioners (Aftenposten 2016). The hike followed earlier increases in the minimum pension by previous governments (Pedersen, 2013). Only pensioners who earn no public superannuation benefit, and/or receive no benefit from a public-sector occupational pension, receive the minimum pension. Since public superannuation was introduced in 1967 there are few minimum pensioners around, and even fewer that are single. The majority are elderly widows. The effect of the hike will be to improve their incomes, thus reducing the small pocket of poor pensioners that remain.

As mentioned in the introduction, pensioners as such have seen a reduction in poverty during the last decade. This is due to the cohort transition: Incoming birth cohorts have to an ever-increasing extent earned public superannuation, and often also occupational pensions. They are gradually replacing outgoing birth cohorts, where minimum pensioners are more numerous. ("Outgoing" in the sense that old birth cohorts gradually die off and finally are at rest from the watchful eye of Statistics Norway.)

Minimum pensioners almost exclusively belong in the ethnic majority group, i.e. they are Caucasians born in Norway.

3 Conclusions

The period 1.1 2015 to 31.12 2016 has been low on large reforms, compared to preceding years. Most of the important reforms that have taken place with regard to the Norwegian tax and welfare system are older than two years. They include a pension reform (effective from 2011) loosely modelled on the Swedish reform; the introduction programme for refugee migrants (introduced in 2003); the qualification programme for long-term social assistance claimants (introduced in 2007); and merging the National Employment Agency and the National Social Security Agency into the so-called NAV agency in 2006-2010.[6]

There have also been numerous pre-2015 reforms in the health-rated benefit systems (sickness, work accident, rehabilitation and disability benefits). Important reforms with regard to the delivery of health services, and expansion of social services (such as kindergartens and after-school day care), have also taken place in the last decade, but again before 1.1.2015.

In sum, beginning in 1984, there has been a continuous series of reforms aimed at retraining laid-off or difficult-to-employ labour, boost employment, and redesign welfare systems under the guideline that "work should always be the first option". The reforms discussed in this paper are only the latest in a long string of similar-type earlier reforms. However, since the ECE paper guidelines limit the task to analyse reforms initiated or implemented after 1.1.2015, these numerous earlier reforms – and their effect of the income distribution – are not further discussed here. See Pedersen (2016) and Halvorsen et al (2016) for reviews.

3.1. Assessment of the significance of the reforms

The ECE paper guidelines ask about the significance of the reforms with regard to inequality, broader socioeconomic development, and political stability. We will discuss them in turn.

3.1.1 With regard to equality

Related to income and wealth inequalities, the jury will still be out for many years. The reforms in the wealth tax system (including dismantling the inheritance tax) probably has the largest potential for a significant long-term effect, by increasing and perhaps segmenting inequalities in wealth. The hike in the minimum pension is likely to reduce poverty in the remaining small pocket of single minimum pensioners. The cap on disability plus child benefits at 95 percent of previous earnings is also likely to have a fairly clear effect, this time in the direction of increasing child poverty. The distributional effects of stricter workfare requirements in the social assistance system, and allowing more temporary employment, are less certain. But the main conclusion

[6] The previous National Employment Agency was a fully public Agency. Unlike the situation in the other Nordic countries, it was not a Ghent-type system with labour union influence.

must be that, with income data (so far) only available till 2015, it is too early to tell how significant the impacts will be.

3.1.2. Impact on broader socioeconomic development

The reforms attempt to channel capital toward "productive" use, and reward labour force participation. If these broader socioeconomic effects materialize, fine. But again, it is too early to tell if the hoped-for broader socioeconomic gains will materialize. If they do not, the main effect (with the exception of the hike in the minimum pension) is likely to be somewhat increased income and wealth inequalities, without any bonus in the form of faster economic growth.

3.1.3. Impact on political stability

Norway is extraordinarily stable politically, and is likely to remain so. None of the reforms are sufficiently far-reaching to stir serious political unrest. Admittedly, the changes in the Work Environment Act (in particular the increased room for temporary employment) provoked a two-hour nationwide strike in January 2015 (Dahl and Lorentzen 2016). A peaceful two-hour strike might not seem like much "political instability" for a foreigner, but in Norway this is about as much political excitement as we have had since 1945.[7]

To sum up, Norway is likely to remain a wonderfully boring country despite these reforms. To the desperation of political journalists, but quite nice if you have to live here. As a country Norway is even less politically exciting than Switzerland. It has even avoided the cuckoo clocks.

3.2. Key strengths and weaknesses of reforms

The potential key strengths in one regard (boost productivity and labour market participation) are simultaneously potential key weaknesses in another regard (risk increased wealth and income inequalities). The reforms hark back to the classic tension between incentive effects and distribution effects. Norwegian politicians of different colours have for decades attempted to strike an optimal balance between incentives and redistribution. It is a tight balancing act, and is likely to remain so.

3.3. Socioeconomic changes and income inequality

Early in this paper we made a reference to the December 2016 report from the Labour and Social Security administration titled "Poverty and levels of living in Norway". Here, Langeland and colleagues (2016) argue that three socio-economic changes are responsible for the slow rise in inequality: 1) increases in capital incomes and wealth (including price increases on owner-occupied houses), 2) increased immigration, and 3) increased unemployment (after 2014).

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[7] Barring the mass murders at Utøya in 2011. However, the murders were carried out by a single individual operating alone, and arguably do not represent "political" unrest, since this requires some form of collective action.

Political decisions that influence these socio-economic changes are likely to have an impact on future inequality, but such decisions do not always come in the guise of political reforms. The daily run of government involves continuous decision-making that also influences these socioeconomic changes in various ways. Since day-to-day decisions do not constitute "reforms", they are excluded from the above review.[8] But to illustrate that ongoing political decision-making may be just as important as political reforms, let us end with an example: the decision by the Bank of Norway to keep the Norwegian currency (NOK) weak.

The NOK is not tied to the Euro (EUR), and took a dive after 2014. The Bank of Norway has (so far) responded by keeping centrally determined interest rates low, to prevent a strengthening of the currency. In effect, Norway has de facto devaluated its currency in the wake of the 2014 rise in unemployment, based on the (textbook Keynesian) notion that this should boost our export industries (such as fish farming), and also help our import-competing industries. If successful, the de facto devaluation may lead to more economic activity, getting unemployment back to the Norwegian normal again (2-3 percent), and (as a consequence) hopefully reduce income inequality.

As a side-effect of depreciating the currency, the Norwegian foreign-invested petroleum fund gains in value, if expressed in NOKs. Since 2001, all governments have heeded the so-called "decision rule", stating that Norway should only use max 4 percent of the accumulated value of the fund within Norway (in effect only use the stipulated interest of the fund, and leave the capital in place). In January 2017, the value of the foreign-invested fund was 834 billion EUR (Bank of Norway 2017).Thanks to the depreciation, 4 percent of this sum reaches a longer way when spent inland than before. Hence a side-effect of depreciating the NOK is that we can spend more of the petroleum fund as a fiscal stimuli to get the wheels turning again, in the present situation with excess capacity (again, as prescribed by textbook Keynesianism); even without formally having to break the 4-percent rule.

Yet another effect of low interest rates is to furnish the steep rise in housing prices, this time pulling in the direction to increase wealth inequalities. Household debt in Norway increased by 5.9 percent between 2014 and 2015, while the growth in nominal after-tax income was only 2.5 percent (Statistics Norway 2016c, see also annex 2.1).

In sum: Although this paper, following the ECE paper guidelines, has focused on political reforms in the period 2015-16, a larger set of political day-to-day decisions might be just as important, or more important, in influencing short- and long term changes in the income and wealth distribution.

3.4. Final comment: equality in one country

Norway experienced a dramatic increase in net immigration after the 2009 economic crisis, since the crisis only created mild ripples in Norway. Being part of the European Economic Area (EEA), labour migrants from EU countries are free to settle in Norway.

[8] Here one may also include the importance of political *non-decisions*, i.e. to abstain from taking actions that might influence ongoing socioeconomic changes.

In 2014, 200.000 EU citizens were registered as living in Norway. This represents a tenfold increase from 2004 (Halvorsen et al 2016, 238). The immigration from Poland and the Baltic states is the largest single migration event in recorded Norwegian history (Friberg 2015). Already in 2007 Poles passed Pakistanis as the main immigrant group. In January 2016 immigrants constituted 16.3 percent of the total population (Halvorsen et al op cit).

In the present situation, with increased Norwegian unemployment, emigration back to other European countries is on the increase. Ceteris paribus this is likely to reduce the inequality-inducing effect of increased unemployment, since some of those affected simply move out of Norway again, and thus disappear from the statistics. However, they do no disappear as individuals; they will show up in the income statistics of other countries. Perhaps they find work there (implying no negative effect on equality), but perhaps they prefer to be poor in their own rather than in a foreign country.

The point is that to study equality/inequality in one country might not give an adequate picture of distribution effects. There are various kinds of spillovers from the income and wealth distribution in one country to the income and wealth distribution in other countries. Norway has experienced some degree of increased wage differences in the period with large net immigration (Pedersen 2013, 19).

In the future, the effect of increased unemployment on inequality will perhaps be softened through emigration, if we can assume that those who move back to their countries of origin are those who have most difficulties finding work (perhaps a big if).[9]

A similar argument can be made with reference to the larger world. Norway, similar to other European countries, experienced a rapid increase in asylum seeker immigration in 2015. Data from Statistics Norway, as well as a growing body of academic studies, suggests that it is challenging to integrate asylum seekers in high-minimum-wage economies (e.g. Barth, Bratsberg and Raaum 2004; Brochmann, Hagelund and Borevi 2010). The short-term effect of accepting refugee migrants, in particular unskilled migrants, is an increase in inequality: either through accepting lower wage levels, or accepting larger welfare transfers. Enter 2016, when the number of asylum seekers went down from 30.145 in 2015 to 3.460 in 2016 (Vg 2016, Aftenposten 2017). The sharp reduction in the number of asylum seekers will probably imply less inequality in the future, compared to a scenario where Norway had continued to accept – or even to encourage – an annual number of asylum seekers on par with 2015. The fact that Norway (for various reasons) receive far fewer than in 2015, while the number of refugees crossing the borders to Greece and Italy show no reduction of a similar magnitude, implies increased future inequality in Greece and Italy (if refugees continue to come), compared to a situation where Norway and others accept to take in more. Again illustrating that "equality in one country" is not without consequences for how income distributions develop in other countries.

[9] Another immigration/emigration effect involves emigration of the «super-rich» from Norway to countries with lower or no wealth tax. Ceteris paribus emigration of people holding large net wealth will show up in Norwegian statistics as decreasing wealth inequality.

Aknowledgements

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Annex 1: Reforms' description -table for experts to complete

Please complete the table with up with relevant information about reforms described in sections 2.1.

No.	Short title of the reform	CSR–relevant (yes / no) COLUMN NOT APPLICABLE TO NON-EU COUNTRIES	Policy area (e.g. labour taxation, consumption taxation, social protection, education, healthcare, etc.)	Short description of the reform	Direction of impact on inequality: increasing/ decreasing	The magnitude of impact on inequality: strong/ moderate/ limited	The reform has primarily impact on: - income inequality inequality of opportunity	Target groups: are reforms targeted at some particular groups	Time aspect: impact on inequalities now / expected in the future
1	Wealth tax reform		Taxes on household and corporate wealth	Reduction of wealth and corporate tax, abolishing the inheritance tax, coupled with increased tax on dividends and on sale of inherited wealth	Increasing	Moderate to strong	Wealth inequality	No	Expected in the future
2	Disability benefit reform		Social protection	Sum of disability benefit and targeted child supplements cannot exceed 95	Increasing	Limited to target group	Income inequality, possible longer term effect on children's opportunities	Yes	Now

				percent of previous earnngs					
3	Social assistance reform		Social protection	Strengthened workfare requirement for social assistance claimants below age 30	Debatable, but probably increasing	Limited to target group	Income inequality	Yes	Now
4	Employment reform		Labour market	General admission of temporary employment 12 months	Debatable, but probably increasing	Limited to moderate	Income inequality	No	Now
5	Pension reform		Social protection	Increased minimum pension for single pensioners	Decreasing	Limited	Income inequality	Yes	Now

Annex 2: Proposed indicators to assess inequalities

Annex 2.1 Defining income

Annex 2.2 Excel Norway Income dispersion measures 1987-2015

Annex 2.3 Excel Norway P05-P95 income dispersion 2005-15

Annex 2.4 Excel Norway share net wealth 2010-15

Annex 2.5 Excel Norway low income immigrants 2006-15

Annex 2.6 Excel Norway income socioeconomic group 2011-15

Annex 2.7 Excel Norway 3 year low income EU-60 2012-14

For more income and wealth indicators, including excel downloads, see Statistics Norway Statbank:

Internet:
https://www.ssb.no/statistikkbanken/selecttable/hovedtabellHjem.asp?KortNavnWeb=ifhus&CMSSubjectArea=inntekt-og-forbruk&PLanguage=1&checked=true

Annex 2.1. Defining income

We rely on data from Statistics Norway in this paper. Income is measured as registered income after tax. The income definition is close to the “practical” definition of income, as recommended in the Canberra report (United Nations Economic Commission for Europe 2011; Omholt 2016). Most types of wage and capital incomes are captured by the “practical” definition.

The value of free or heavily subsidized publicly provided services is excluded from the above income definition. The worth of unpaid homework, for example care for children and frail relatives, is also not included in the income definition. Since low-income groups on average receive more subsidized public services, and engage more in home-work, these incomes probably make the income distribution more equal than the income distribution captured by the “practical” income definition (Omholt 2016).

In this context, notice that Norway provides more subsidised services than most other European Countries, in particular with regard to social services (Castles 2004). If the value of free or subsidized services had been included in the income definition, the Norwegian income distribution would have been (even) more equal. On the other hand, home-work is probably more limited than in most European countries, since a larger percentage of the working-age population work in the formal labor market.

The imputed income of owner-occupied houses is also not part of the income definition used by Statistics Norway. This imputed income is equal to the rent one would have to pay, as a tenant, for renting a similar home. Home ownership is widespread in Norway, while the market for rental homes and apartments is limited. Municipally subsidized rental homes are also quite limited in Norway compared to e.g. Sweden.

In principle one could argue that imputed income from owner-occupied houses, plus ownership of durable commodities, should be part of the income definition. While capital expenses, such as the interest households pay on loans to buy (invest in) capital goods, should be excluded from the definition. However, since the imputed income of ownership of capital goods (including houses and durable commodities) in not included in the income definition, capital expenses are not excluded. Again, this is in accordance with the “practical” definition of income referred above.

Although outside the income definition used in this paper, one should keep in mind that capital expenses are usually higher among youth and in early middle age than later in life. A fast rise in Norwegian housing prices in the cities during the last decade has limited the de facto disposable income of young households – in particular young households that have invested in owner-occupied houses or apartments in our cities. Since this aspect of the income distribution falls outside the definition of income in this paper, this aspect of the wealth distribution (the debt burden on younger households) is not further discussed in this paper.

The incomes registered by Statistics Norway obviously do not include incomes that are withheld from taxation. The size of the black and grey economy in Norway is probably more limited than in most other European countries, but reliable estimates are challenging to make.

When not otherwise stated, income in this paper is measured as household income per consumption unit. Consumption units are identified by using the modified OECD equivalence scale, or EU-scale. The first grown-up household member is given the weight 1.0, the second grown-up is given the weight 0.5, and children are given the weight 0.3 each.

Finally, notice that Statistics Norway excludes student households from data on the income distribution. The argument is that although many students may formally be poor, their poverty is usually transient and of short duration. Including students among the poor could conceal the plight of groups with more serious poverty problems.

Annex 2.2. Measures of income dispersion. Household equivalent income (EU-scale) between persons, by person, time and contents

Total population excluding persons in student households	Gini coefficient	P90/P10	S80/S20
1987	0,209	2,5	2,9
1988	0,209	2,5	2,9
1989	0,226	2,6	3,2
1990	0,214	2,6	3
1991	0,217	2,6	3
1992	0,219	2,6	3,1
1993	0,226	2,6	3,2
1994	0,235	2,7	3,3
1995	0,231	2,6	3,2
1996	0,24	2,6	3,4
1997	0,243	2,6	3,4
1998	0,233	2,6	3,2
1999	0,236	2,6	3,3
2000	0,257	2,6	3,6
2001	0,223	2,5	3,1
2002	0,258	2,6	3,6
2003	0,267	2,7	3,7
2004	0,276	2,6	3,8
2005	0,319	2,7	4,5
2006	0,235	2,6	3,3
2007	0,244	2,7	3,5
2008	0,24	2,7	3,4
2009	0,231	2,6	3,3
2010	0,236	2,6	3,3
2011	0,237	2,7	3,4
2012	0,239	2,7	3,4
2013	0,241	2,7	3,4
2014	0,247	2,8	3,5
2015	0,263	2,8	3,8

Negative amounts have been set to zero.
Students are not included.

The Gini coefficient is a number between 0 and 1 that measures the degree of inequality in the distribution of income, where 0 corresponds with perfect equality and 1 corresponds with perfect inequality.

P90/P10 refers to the percentile ratio of the 9th and the 1st decile cut-offs.

S80/S20 refers to the ratio of the share of income held by the top 20 percent of the distribution and bottom 20 percent of the distribution.

Annex 2.3. Household equivalent income, percentile cut-offs (Constant prices) (NOK), by percentiles, time and contents											
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
P05	142800	145200	154300	159300	161700	163500	167800	171500	172400	172700	172000
P95	564100	537500	590300	608900	594700	603300	628800	654700	669600	686600	697900
P99	1314600	830500	961200	960000	911400	937900	981700	1017100	1041500	1084300	1204800
P10	170200	173700	185700	191900	193800	195500	200600	204700	206200	207200	206800
P20	205700	210700	226300	234800	235100	236700	244200	250900	253500	255300	255000
P30	233800	240000	257900	268100	266800	268400	277600	286000	289600	292300	292500
P40	258900	265700	285500	296800	294800	296600	306600	316500	321100	324700	325100
P50	283200	290400	312100	324400	321800	324000	334800	346000	351600	356200	356600
P60	309000	316300	340400	353500	350500	353100	365000	377700	384400	389900	390900
P70	339600	346900	373500	387900	384000	387200	400500	415200	423000	429900	431200
P80	381400	387700	418500	434100	428900	432800	448700	466100	475800	484400	486300
P90	458700	457900	497800	515300	506900	512900	532600	554600	567000	579000	583700
Persons in student households are excluded.											

Annex 2.4. Share of total net wealth, average net wealth and lowest value in decile for households, by deciles by decil group, time and contents

	2010	2011	2012	2013	2014	2015
Decile 1	-5,7	-5,5	-4,5	-5	-4,8	-4,2
Decile 2	-0,6	-0,5	-0,3	-0,4	-0,3	-0,3
Decile 3	0,2	0,2	0,3	0,3	0,3	0,3
Decile 4	1,7	1,7	1,9	1,9	1,8	1,9
Decile 5	4,2	4,2	4,4	4,3	4,2	4,2
Decile 6	6,9	6,9	7	6,9	6,7	6,6
Decile 7	9,9	9,9	9,9	9,9	9,7	9,5
Decile 8	13,5	13,6	13,5	13,5	13,3	13
Decile 9	19	19,1	19	19,1	19	18,5
Decile 10	51	50,3	48,8	49,5	50,2	50,6
Top 5 per cent	37,5	36,7	35,3	35,8	36,6	37,2
Top 1 per cent	20,1	19,3	18,1	18,3	19	19,8

Students not included.

Annex 2.5. Persons with income below 50% and 60% of median income by land background

	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015	
	EU-scale 50 %	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %	EU-scale 50%	EU-scale 60 %
Total population	4,8	9,8	5,1	10	5,2	10,2	4,7	9,5	4,6	9,4	4,7	9,6	4,9	10,1	5,2	10,5	5,4	10,8	5,5	10,9
Immigrants from Western Europe, North-America or Oceania	10,3	14,7	11,4	16	12	16,7	11,6	16	12	16,4	12,1	16,7	11,4	16	11,2	15,9	10,9	15,6	10,7	15,3
People born in Norway with immigrant parents from Western Europe, North America or Oceania	6,6	10,6	5,5	9,6	7	10,5	6	10,1	5,6	10,6	6,4	10,9	5,3	9,9	5,3	9	5,6	9,8	5,9	11,1
Immigrants from Eastern Europe, Asia, Africa or Latin America	21,3	34,9	22,6	35,4	22,7	35,3	20,2	32,6	20,8	33,4	22	34,9	22,4	35,3	23,1	36	23,4	36,4	23,2	36,2
People born in Norway with immigrant parents from Eastern Europe, Asia, Africa or Latin-America	16,5	24,4	16,5	24,1	16,2	23,9	14,3	21,1	13,7	20,9	12,9	21	12,9	20,7	12,1	19,6	11,9	20,3	11,4	19

Persons in student households are excluded. Persons are grouped by land background and immigration category of main income taker.

Annex 2.6. Households by type of household, after-tax income I

		2011	2012	2013	2014	2015
		Number of households	Number of households	Number of households	Number of households	Number of households
All households	Income, total	2206168	2245460	2267336	2298922	2317361
	Less than 200 000	295507	270680	237180	215994	199617
	200 000 - 299 999	382377	382668	376654	376460	373164
	300 000 - 399 999	335008	335516	331805	329282	323116
	400 000 - 499 999	267741	272221	278546	281872	285601
	500 000 - 599 999	239917	234094	231006	230888	232270
	600 000 - 749 999	308968	313845	310172	308329	307010
	750 000 - 999 999	248219	280747	310693	332072	346432
	1 000 000 +	128431	155689	191280	224025	250151
Singles under 45	Income, total	353630	366790	353769	359852	354891
	Less 200 000	122194	119589	105877	101920	96663
	200 000 - 299 999	109366	109132	101214	100772	98438
	300 000 - 399 999	77297	83963	85047	86514	86027
	400 000 - 499 999	27115	32552	36757	41843	44324
	500 000 - 599 999	9673	11998	13695	15670	16052
	600 000 - 749 999	4841	5918	6877	8237	8333
	750 000 - 999 999	1994	2377	2824	3170	3196
	1 000 000+	1150	1261	1478	1726	1858
Singles 45-66	Income, total	274718	282300	286233	291639	291603
	Less 200 000	56166	50369	44891	40744	37036
	200 000 - 299 999	108049	104746	101020	98684	96232
	300 000-399 999	67370	73246	75560	77013	77285
	400 000-499 999	23288	28885	34374	39078	42019
	500 00-599 999	9067	11530	14047	16573	17847
	600 000-745 999	5514	7055	8633	10403	11076
	750 000-000 000	2908	3775	4495	5342	5600
	1 000 000+	2356	2694	3213	3802	4508
Singles 67 and older	Income, total	242285	245249	250099	255191	257844
	Less 200 000	96189	81246	67650	55421	48421
	200 000 - 299 999	109522	119117	127604	133684	138223
	300 000 - 399 999	25779	31466	37840	44627	47838
	400 000 - 499 999	6490	8307	10510	13054	13998
	500 000 - 599 999	1957	2471	3193	4108	4492
	600 000 - 749 999	1099	1268	1633	2084	2302
	750 000 - 999 999	631	693	840	1117	1254
	1 000 000+	618	681	829	1096	1316
Couples without children, oldest person under 45	Income, total	93440	95870	100748	103055	108618
	Less than 200 000	2676	2623	2480	2246	2139
	200 000 - 299 999	6510	5953	6877	6348	6162
	300 000 - 399 999	12991	12389	14029	13383	13513
	400 000 - 499 999	17496	16898	17463	17073	17798
	500 000 - 599 999	18648	18225	17826	17943	18856
	600 000 - 749 999	20626	22164	22384	23004	24422
	750 000 - 999 999	11205	13552	14968	17350	19276
	1 000 000 +	3288	4066	4721	5708	6452
Couples without children, oldest person 45-66	Income, total	234816	233535	218925	214665	214535
	Less than 200 000	2346	1912	1622	1618	1577
	200 000 - 299 999	4629	3832	3350	3159	2988
	300 000 - 399 999	16809	13049	10029	8319	7116
	400 000 - 499 999	40181	32541	25163	20389	18612
	500 000 - 599 999	52227	46861	39279	33850	31031
	600 000 - 749 999	61076	63742	59856	57389	55557
	750 000 - 999 999	38662	47611	51940	56876	59917
	1 000 000 +	18886	23987	27686	33065	37737
Couples without children, oldest 67 and older	Income, total	186830	194916	203778	213167	222809
	Less than 200 000	1208	932	910	880	1001
	200 000 - 299 999	4419	2653	1936	1900	1785
	300 000 - 399 999	53022	43533	34569	28351	24223
	400 000 - 499 999	61516	64942	65829	64180	64612
	500 000 - 599 999	33563	39823	46091	51150	55381
	600 000 - 749 999	19503	25158	31123	37347	41628
	750 000 - 999 999	8922	11790	15422	19094	21596
	1 000 000 +	4677	6085	7898	10265	12583
	500 000 - 599 999	912	1229	1398	1649	1697
	600 000 - 749 999	445	549	616	744	756
	750 000 - 999 999	139	181	245	321	303
	1 000 000 +	91	93	105	149	143

Annex 2.6. Households by type of household, after-tax income II						
		2011	2012	2013	2014	2015
		Number of households	Number of households	Number of households	Number of households	Number of households
Couples with children 0-5	Income, total	234045	233972	233102	232571	232685
	Less than 200 000	2550	2317	2200	2187	2184
	200 000 - 299 999	4771	4470	4208	3914	3499
	300 000 - 399 999	13683	12591	12238	11419	10691
	400 000 - 499 999	25820	23004	21417	19386	18924
	500 000 - 599 999	44641	38589	33821	30528	28801
	600 000 - 749 999	72947	71730	67697	63778	60878
	750 000 - 999 999	50190	57647	63743	68662	72003
	1 000 000 +	19443	23624	27778	32697	35705
Couples with children 18 +	Income, total	96439	96322	106229	111086	113998
	Less than 200 000	353	307	303	303	330
	200 000 - 299 999	437	412	426	376	394
	300 000 - 399 999	1431	1229	1085	1155	1043
	400 000 - 499 999	3721	3107	2713	2548	2362
	500 000 - 599 999	8784	7122	6167	5488	5018
	600 000 - 749 999	23479	20434	18598	17260	16055
	750 000 - 999 999	35543	36348	39681	39898	39887
	1 000 000 +	22691	27363	37256	44058	48909
Single parent w. children 0-5	Income, total	29205	31021	30385	30561	28449
	Less than 200 000	3125	3227	3200	2883	2570
	200 000 - 299 999	9608	9501	8404	7791	6971
	300 000 - 399 999	10966	11476	11136	11052	10195
	400 000 - 499 999	3919	4765	5281	5972	5814
	500 000 - 599 999	912	1229	1398	1649	1697
	600 000 - 749 999	445	549	616	744	756
	750 000 - 999 999	139	181	245	321	303
	1 000 000 +	91	93	105	149	143
Single parent w. children 6-17	Income, total	85318	87930	87170	88541	84558
	Less than 200 000	3192	3057	2968	2882	2678
	200 000 - 299 999	15531	14152	12454	11558	10102
	300 000 - 399 999	31416	30805	28249	26780	24945
	400 000 - 499 999	20339	22385	23456	24554	23787
	500 000 - 599 999	7854	9225	10265	11343	11406
	600 000 - 749 999	4310	5117	6034	6867	6876
	750 000 - 999 999	1863	2219	2622	3185	3249
	1 000 000 +	813	970	1122	1372	1515
Parent with children 18+	Income, total	49896	51168	55977	59391	59119
	Less than 200 000	1118	1014	1014	1006	949
	200 000 - 299 999	4239	3838	3762	3571	3437
	300 000 - 399 999	11200	10257	9484	9163	8595
	400 000 - 499 999	13521	13521	13957	14076	13580
	500 000 - 599 999	9187	10046	11384	12257	12222
	600 000 - 749 999	6471	7487	9406	10673	11140
	750 000 - 999 999	3096	3728	5111	6261	6490
	1 000 000 +	1064	1277	1859	2384	2706
Multifamily households	Income, total	73139	75098	91137	88698	93760
	Less than 200 000	2753	2719	2677	2505	2635
	200 000 - 299 999	3117	2898	3591	3030	3165
	300 000 - 399 999	6731	6003	7256	6440	6686
	400 000 - 499 999	9180	8771	10463	9701	10031
	500 000 - 599 999	9578	9555	11309	10764	11213
	600 000 - 749 999	13735	13857	16374	15495	16414
	750 000 - 999 999	16240	17328	20873	20505	21672
	1 000 000 +	11805	13967	18594	20258	21944
Couples with children 6-17	Income, total	252407	251289	249784	250505	254492
	Less than 200 000	1637	1368	1388	1399	1434
	200 000 - 299 999	2179	1964	1808	1673	1768
	300 000 - 399 999	6313	5509	5283	5066	4959
	400 000 - 499 999	15155	12543	11163	10018	9740
	500 000 - 599 999	33826	27420	22531	19565	18254
	600 000 - 749 999	74922	69366	60941	55048	51573
	750 000 - 999 999	76826	83498	87929	90291	91989
	1 000 000 +	41549	49621	58741	67445	74775

Private households consiting of single persons living alone under the age of 18 are not included in the data. Couples included married couples, cohabiting couples and registered partners.

Annex 2.7. Persistent low income. Three-year period (per cent), by receiver group.	
	2012-2014
	EU 60 % of
Total population	10
Women	11
Men	9
Total population, students not included	9
Women, students not included	10
Men, students not included	8
Children under 18 years of age	9
People who received old-age pension all years in the period	10
People who received disability pension all years in the period	9
People in single parent households for at least three consecutive years	23
People in single parent households	21
People in single parent households with 1 child	14
People in single parent households with 2 children	20
People in single parent households with 3 children or more	41
People in the household type couples with children, age of youngest child 0-6 years	9
People in the household type couples with children, age of youngest child 0-17 years	7
People in the household type couples with 1 child, age of youngest child 0-17 years	6
People in the household type couples with 2 children, age of youngest child 0-17 years	4
People in the household type couples with 3 children or more, age of youngest child 0-17 years	11
People in the household type couples with 4 children or more, age of youngest child 0-17 years	26
People in the household type couples with 5 children or more, age of youngest child 0-17 years	47
People younger than 35 years of age that have been living alone for at least three consecutive years	28
People younger than 35 years of age that have been living alone for at least two of the last three..	30
People younger than 35 years of age that have been living alone for at least one of three consecu...	17
Immigrants or persons born in Norway with foreign born parents	28
Immigrants from Asia, Africa, Latin-America Eastern Europe and Oceania except Australia and New Z.	32
Immigrants from Asia, Africa and Latin-America	35
Excluding people living alone in the last year of a three years period and in receipt of a student loan	