

In-depth literature review

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Tax and income transparency in Norway from 2001 to 2014

<https://doi.org/10.2478/ijme-2024-0044>

Received: September 10, 2023; accepted: March 18, 2024

Abstract:

This article aims to present and organize the findings of the research of the Norwegian tax reform of October 2001, which resulted in an increase in transparency of taxable income, wealth, and tax paid by all citizens. The digitization of relevant data and publishing it on the Internet made all of this information accessible directly from a home computer. I have provided an overview of the historical and cultural background, as well as the direct causes of the changes introduced in Norway and their consequences. I have also described the evolution of the reform up to 2014. To reach these goals, I have reviewed the economic literature on the Norwegian reform. Protestantism, egalitarianism, and the distinct mentality of the Norwegian society were among the causes of the reform. The most important effects of the reform proved to be an increase in the state's income from taxation, widening of the gap in well-being between the wealthy and the poor, an increase in the lowest earnings, and an increase in public support for income redistribution. The results of many studies of the 2001 tax reform in Norway presented in this article facilitate, among other things, an answer to whether and how to draw inspiration from the Nordic economic experience.

Keywords: Norway, economic history of Norway, Nordic model

JEL Classification: E65, H31, P16

1 Introduction

I have presented the Norwegian tax reform of autumn 2001 in this article. To describe the reform, its causes, effects, and evolution in turn, I have reviewed the economic literature on this topic. The results of these studies presented in the article facilitate, among other things, an answer as to whether and how to draw inspiration from the Nordic experience.

In the Appendix, I provide information on the tax and income transparency in the other Nordic countries.

2 Norway's decision on income transparency

Norway's tax reform introduced in October 2001 resulted in a precipitous increase in the transparency of taxable income, property, and taxes paid by all citizens. The transparency was enabled by publishing the relevant data on publicly accessible websites. Notably, similar legislation had already been in place in other countries at various times (e.g., the United States, France, Japan, and Italy¹), but it is the Nordic

¹ For example, in 2008, the Italian tax authorities made the 2005 income and tax data of all 38.5 million citizens available online; widespread protests quickly blocked access to this information [Economist, 2008].

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countries (Finland, Iceland, Norway, and Sweden) that are leading the way (see Appendix), and the solution introduced in Norway in the autumn of 2001 is the one that is the most radical.

Information on the taxes paid by Norwegians, as well as on their income, was made transparent and available to all citizens as early as the second half of the 19th century. Prior to 2001, however, this information was not easy to access, requiring, among others, that the interested party place a formal request with the local tax office. Once approved, within 3 weeks of the announcement of the previous year's data, one had to personally search for the person concerned through a comprehensive list of taxpayers residing in the area. Taxpayers were listed by name and address, and the list also included information on the amount of their taxable income, the value of their property, and the amount of tax paid. In some municipalities, it was also possible to purchase a paper "tax directory" published by local authorities that included the same information and resembled a telephone directory. Local newspapers also had access to this data, publishing, for example, rankings of the wealthiest people in the area, or information on the income and property of movie, TV, and sports stars living in the municipality [Bø et al., 2015, pp. 36–38].

In the autumn of 2001, access to and processing this information became much easier, when the Norwegian media uploaded digitized data on the income and assets of all citizens, as well as the taxes they had paid, to the Internet², making it possible to search this information directly from a home computer. Readily available applications (e.g., computer applications) also entered the market, designed to meet the needs of those interested in processing the data [Kramer, 2016b].

3 Reasons for Norway's tax reform

Knowledge of the history of Norway and the other Nordic countries helps understand the reasons behind the reform. It also enables a better understanding of the arguments of the tax's supporters and opponents.

3.1 Protestantism, egalitarianism, and the law of Jante

Norway and other Nordic countries became Lutheran in the early 16th century as a result of the Reformation, as a manifestation of opposition to the moral decline of the Catholic Church (e.g., laziness, vanity, greed, profligacy of the clergy). Industriousness, frugality, modesty, and social solidarity were instilled in Norwegians and other Nordics for centuries, and for many, it became a natural duty of a Christian to conscientiously pay taxes to the local collective to make it capable of helping those in need. To this day, Lutheranism has been the main denomination in the Nordic countries (in 2014, the vast majority of Nordics declared affiliation with the Lutheran church). The relevant percentage was the lowest in Sweden (66% of the citizens) and the highest in Denmark (78%), while in Norway, it was 75%, and this is despite the progressive decline in the popularity of Lutheranism since the 1980s [Mishlanava, 2022, pp. 52–53]. Undeniably, the Protestant moral strictness did contribute to Norway's 2001 tax reform.

Secondly, in the mid-19th century, Norway was a poor country compared to, for example, Britain, France, and Germany. However, it had a well-organized tax administration, which was capable to make the income and tax data of all citizens public. Deprived of independence, Norwegians lived dispersed in a country with a low population density (in the early 19th century, Norway had only 883,000 inhabitants). They were typically free farmers and the Nordic ownership title (and especially the widespread alodial system and the principle of *odelsrett*) made most of them favor egalitarianism for hundreds of years. The land, which represented *allodium* (from Latin: *allodium*), was absolute property and, as opposed to fief, was not subject to rent, servitude, or any other lease right of the lord. *Odelstrett* (from Norwegian:

² Income refers to net income, which is a total of all types of gross income less any deductions permitted by law (e.g., mortgage instalment deductions). The taxpayer's (net) assets are calculated according to rules that vary depending on asset type; for example, the valuation of an apartment usually equals about 25% of its market value, while debts are deducted in full. The tax paid, on the other hand, is the total of all taxes prescribed by law (e.g. income tax, social security contributions, property taxes) [Bjørnstad, 2014].

odelsrett), on the other hand, was a family right of pre-emption and redemption concerning land that had been in place in Norway (and Scandinavia, in Swedish: *bördsrätt*) for centuries. When the property was sold to a stranger, for some time, the family members had the right to buy it back at the price paid plus the cost of improvements, if any. This rule maintained the land in the hands of the family that cultivated it [cf. Fuglestad, 2018, pp. 86–89].

As a result, the Lutheran, independent and egalitarian Norwegian peasants distrusted the government imposed from outside and the taxes it levied. Instead, they were eager to support local government funds (e.g., a communal relief fund for the poor, a school fund). In order to make sure that everyone was conscientiously following these obligations, local tax offices or city halls provided information on the taxes paid by all residents [Hodne, 1975, pp. 136–138; 180, 230–235].

Thirdly, according to many, the Nordic law of Jante (in Danish and Norwegian: *Janteloven*, in Swedish: *Jantelagen*)³, a set of informal rules, often determining the daily lives of local communities in the Nordic countries, was also of importance. Among other things, the law of Jante praises modesty and condemns individualism and excessive personal ambitions. Nordics are taught that they should not consider themselves as distinguished and better than others. As a result, they value the right to privacy far less than the residents of other developed countries, such as the United States, who are proponents of individualism. Numerous authors believe that in Nordic countries, such as Norway, *Janteloven* is one of the important explanations, for instance, for income and taxes being made public [refer, for instance, to Christopoulou, 2018; Savage, 2021].

Norway's 2001 reform resulted in a public controversy. For many years in the Nordic countries, proponents and opponents of income and tax transparency had argued about the legitimacy of such an arrangement, pointing to the pros and cons. Let me introduce the most important arguments below.

3.2 Arguments of the proponents of income and tax transparency

Economists tend to believe that easy access to information reduces market failures and promotes efficiency while enabling individuals engaged in economic dealings to make better choices. This also applies to income and tax data. For example, information on earnings in different industries facilitates making rational decisions on university selection and future occupation [Economist, 2017; Travers, 2020]. This general idea normally comes with other, more specific arguments.

Firstly, it is noted that, in a democratic country, citizens have the right to know exactly what the state does with their money given in the form of taxes, and also whether others meet their obligations to society. If this is the case, citizens' motivation to conscientiously pay their taxes increases, which is a prerequisite for an effective state. This argument is particularly sound in the Nordic countries, where the service-providing and benefit-paying welfare state is very extensive, as evidenced by a tax share of up to half of gross domestic product (GDP).⁴

Secondly, there are numerous claims that public access to citizens' income information makes tax evasion more difficult, as others (e.g., neighbors, co-workers, acquaintances, or relatives) can easily discover a possible contradiction between a particular person's reported relatively low income for taxation and a high level of consumption. With others aware of a taxpayer's income and expenditure, underreporting of income is difficult, as a discrepancy between the actual size of consumption and the amount of income

³ The name *Janteloven* (pronounced as *jantylovyn*) was first used by Norwegian-Danish writer Aksel Sandemose (Axel Nielsen) (1899–1965). In his novel, *En flyktning krysser sitt spor* (in English: *A Fugitive Crosses his Tracks*) from 1933, Sandemose described the Danish town of Jante, the conformism of its residents, and the pressure exerted by the local environment and family on an adolescent boy. *Janteloven* is interpreted in various ways. Some see it as a condemnation of the selfish pursuit of individual success, while others criticize it for stifling individuality and inhibiting personal development.

⁴ As Gert Tinggard Svendsen of Denmark's Aarhus University put it: "Trust is the foundation for Scandinavian openness about taxes." (...) "The welfare systems we have in Norway, Sweden and Denmark are basically a collective insurance (...), you trust that all other people will work and pay taxes. This trust in other people gets an extreme expression in the publication of taxes" [after: Doyle and Scrutton, 2016].

declared for tax purposes could trigger hostile reactions from fellow citizens, and even ostracism [see e.g. Bø et al., 2015, p. 36].

Thirdly, the widespread availability of information on citizens' income and the taxes they pay fosters awareness among society members of the existence of income and wealth inequalities, as well as the extent of these inequalities. This naturally puts forward issues of economic inequality and redistribution as important elements to be included in a public debate. Yläjärvi [2020], editor-in-chief of the popular Finnish daily newspaper *Iltalehti*, worded this argument as follows: "Through these compilations, people can also see how much workers employed in different sectors of the economy and in individual companies earn and how much tax they pay, which build a picture of income trends for top earners. This information also becomes part of a broader social debate on who pays the highest taxes in Finland and how significant income inequality is" [Yläjärvi, 2020].

Fourthly, in many countries today, trade unions and local governments are increasingly using income transparency as a tool in the fight to reduce the pay gap between men and women doing the same job, as well as the pay gap between people of different race or origin [Cooney, 2018; Baker et al., 2019]. The same holds for excessive salaries of executives [Mas, 2017]. This is particularly true when it comes to information on the salary levels of particular employees working in the same company.

3.3 Arguments of the opponents of income and tax transparency

Reform opponents, in turn, warn that making information about the income and taxes of specific individual's public is contrary to the natural right of citizens to privacy. Certain information should not be available to strangers, which includes health data (e.g., on past mental illnesses), sexual preferences, religious beliefs and, also, citizens' income and taxes. In 2009, the Norwegian Taxpayers Association, who are advocates of this reasoning, approached the Norwegian Parliament (Storting) to investigate whether the publication of tax lists violates the European Convention on Human Rights [Steinsland, 2008; Bershidsky, 2019].⁵

Secondly, skeptics claim that making tax and income information public causes curiosity-driven people to take an inordinate interest in the situation of their neighbors, acquaintances, friends, relatives, superiors, celebrities, and so on. This nosiness can cause jealousy, which prompts rash actions, and can also be a cause of discomfort for "outliers" i.e., both those living in relative poverty and the very wealthy. For example, the managing director of the Norwegian Taxpayers' Association, Jon H. Stordrange, reported in this context that, based on a survey by the association, as many as 46% of the taxpayers were against the changes introduced, while only 32% of those surveyed advocated maintaining them [Steinsland, 2008; Kramer, 2016b].

Thirdly, opponents of the reform believe that making "sensitive" information public, which is the case at hand, could prompt discrimination and harassment. For example, in this way, it is easier to identify very low earners who have lost the social race to financial prosperity, as well as their families and loved ones. Moreover, for affluent citizens, easy availability of the information concerned can create risks. It is easier in such a case for offenders to find people who are well suited to become victims of offences such as robbery, burglary, and theft. As the aforementioned Stordrange put it: "We are concerned that this change could facilitate an abuse of personal data. Everything is already in place; you can get information about everything from income to address and year of birth. If this information ends up in the wrong hands, it can be easily misused" [Steinsland, 2008].

Fourthly, critics claim that income transparency overly strengthens the position of banks and other credit institutions in their negotiations with customers. For example, income data can be used by unscrupulous lenders to seek out potential customers, which are, in this case, low-income households being highly likely to take out a loan on unfavorable terms [Savage, 2021].

⁵ It was concerns about invasion of privacy that prompted the discontinuation of publishing individuals' tax returns in the United States in 1926, two years after the decision to make them public. Nearly a century later, in 2021, US President Donald Trump provided a similar argument in refusing to allow political opponents to disclose the amount of taxes paid [Bershidsky, 2019].

4 Reform effects

The measures introduced in Norway in 2001 had many important effects. Only some of them corresponded to the expectations of proponents and opponents of the reform. Other effects have come as a surprise to them.⁶

4.1 Tax “pornography”?

As numerous observers expected, the websites that in October 2001 started to provide information about Norwegians’ income and taxes soon became very popular, and an excessive number of eager viewers had servers with online editions of Norwegian newspapers ending up blocked. In the years to come, in the periods immediately following the disclosure of the annual figures concerned, the number of their visitors exceeded, for example, the number of weather forecast and YouTube viewers. Many commentators argued that those studying taxpayers’ lists were most of the time interested not so much in detecting corruption and tax avoidance, but simply in “spying” on acquaintances, friends, relatives, public figures, and so on [Jio, 2019, p. 3].

For example, using tools provided by the media and private companies, such as various types of computerized information search engines and similar applications (e.g., applications designed for smartphones), entire rankings of the richest and poorest Facebook “friends” were created, as well as maps providing information on the income level of all inhabitants of a selected area. Soon enough such behavior became so common that the Norwegian media dubbed it “tax pornography” [Travers, 2020]. Furthermore, after 2001, the media in Norway began to report cases of children from poor families being ridiculed, harassed etc. by their peers at school [Steinsland, 2008].

4.2 Higher tax income

In 2015, the American Economic Journal: *Economic Policy* published an article by Erlend E. Bø, Joel Slemrod, and Thor O. Thoresen entitled “Taxes on the Internet: Deterrence Effects of Public Disclosure.” The authors aimed to determine the impact of the disclosure of Norwegian income and taxes in autumn 2001 on the amount of taxpayers’ reported taxable income, as well as the amount of state tax revenue. The behavior of approximately 370,000 individuals from 138 municipalities between 1997 and 2004 (4 years before and 4 years after 2001) was examined.⁷ The authors’ findings show that the reform increased the value of taxpayers’ reported tax income by approximately 3.0%, while the Norwegian state’s tax revenue increased by approximately 0.2% [Bø et al., 2015, pp. 36, 38–39, 44, 49, 56].

According to Bø et al. [2015], it was mostly due to the risk of punishment in case of tax evasion, as well as the “shaming effect”, i.e., the fear for public disclosure of tax evasion. The authors reiterate the popular view that when neighbors and acquaintances have access to relevant information, taxpayers may stop underreporting income, as a glaring discrepancy between the size and style of consumption and reported income may provoke negative reactions from those around them or lead to reputational damage⁸ [therein, p. 36]. They also hold that what makes the “shaming effect” hypothesis plausible is, for instance, that a slightly larger increase in the value of reported taxable income occurred in relatively small and sparsely populated areas of Norway, where it is more difficult to remain anonymous. The same goes for companies that are considered “reputation-sensitive” [therein, p. 56].

⁶ Some of the skeptics’ concerns were not confirmed. For example, in 2010, the Norwegian police officially denied that the transparency of income and taxes was used by criminals to find potential victims more easily [Dagens Næringsliv, 2010]. The reform also yielded phenomena that its proponents and opponents probably had not expected. For example, the transparency of income and taxes triggered an increase in Norwegians’ support for income redistribution [Jio, 2019].

⁷ In 2000, the population of Norway was approximately 4.5 million people.

⁸ Following implementation of the reform, the Norwegian National Authority for the Investigation and Prosecution of Economic and Environmental Crime (in Norwegian: Økokrim) provided a special telephone number for those interested in submitting relevant information to the tax authorities [therein, p. 36].

Another explanation for the increase in income reported for taxation by taxpayers may be the “signalling effect” [therein, p. 37], which refers to the public demonstration of one’s economic success⁹, and, according to the authors, part of the disclosed increment in income may be due to such “bragging.” Nevertheless, Bø et al. [2015] conclude by stating: “although we cannot entirely rule out signalling effect, we believe that tax evasion is the predominant explanation for our findings” [therein, p. 56].

4.3 Reform and Norwegians’ well-being

In 2020, Perez-Truglia [2020] published an article in the *American Economic Review* entitled “The Effects of Income Transparency on Well-Being: Evidence from a Natural Experiment.” The article covered the impact of Norway’s reform of autumn 2001 on Norwegians’ happiness and life satisfaction [Perez-Truglia, 2020]. Based on the 1985–2015 survey data on Norway, the author tested the following hypothesis.

In the view of Perez-Truglia [2020], after 2001, higher income transparency made it easier for Norwegians to compare incomes, which widened the gap in life satisfaction between the wealthy and the poor. Having realized that they were poorer than they themselves thought, those with relatively low incomes lowered their self-esteem, due to taking income as a measure of their own worth, and/or the behavior of acquaintances, who began to treat these people worse. In this context, Bernd Kramer claims that perhaps, prior to 2001, “anonymity allowed the poor to maintain their dignity,” further adding: “However, this anonymity may also contribute to the rich becoming even richer and the poor remaining even poorer” [Kramer, 2016a]. In contrast, relatively wealthy people, having learned that they were richer than they thought, raised their self-esteem for similar reasons. For example, “rich individuals may have benefited from having their incomes made public, because others recognize them as rich and treat them better (e.g., maybe agreeing to favors or dating them)” [Perez-Truglia, 2020, pp. 1048–1049]. As Perez-Truglia [2020] sums it up, various individuals may react in various ways to disclosure of income and taxes. For example, some wealthy individuals may be pleased that their neighbors have found out about their wealth, while others may feel embarrassed for the same reason (e.g. believing that they do not deserve their high income). In his view, the former reaction prevails [therein, pp. 1020–1021]. In short, the above authors maintain that in Norway the transparency of income and taxation has triggered a decrease in the satisfaction of relatively low earners and an increase in the satisfaction of those with relatively high incomes.

Perez-Truglia’s [2020] calculations show that the disclosure of Norwegians’ income and taxes has indeed increased the happiness gap between the rich and the poor, which, in his opinion, grew by 29%. In contrast, the life satisfaction gap between these groups of citizens increased by 21% [therein, pp. 1020, 1051; cf. Travers, 2020]. Perez-Truglia [2020] also found that income level comparisons account for 22% of Norwegians’ sense of happiness. He claims that even in a country where the level of inequality is among the lowest in the developed world, it is important for residents to keep up with their peers. Moreover, especially in such a country, people are inclined to consider their own income to approximate the average more than is the case in reality [Bershidsky, 2019; Perez-Truglia, 2020, p. 1021].

4.4 Reactions of the poorest

Following the introduction of the reform, the dissatisfaction of the relatively poor affected their behavior on the labor market, as well as their views on economic policy.

4.4.1 Growth of the lowest earnings

According to a study by economists Rege and Solli [2015], the effect of the Norwegian reform of October 2001 was, among others, a change in the labor market behavior of the lowest earners. Numerous employees

⁹ The authors claim that such signaling is more important in the case of entrepreneurs than wage earners, e.g., because the entrepreneur’s high income can be taken as evidence of the high quality of the goods they produce and offer for sale [therein, p. 56].

began to compare their salaries with those of others and were more likely to decide to leave their jobs and look for new employment, which led to an increase in the earnings of low-wage earners by 4.8% on a national scale [Rege and Solli, 2015, after: Spät, 2016]. It appears, therefore, that people with low incomes can benefit through income and tax disclosure, as it makes it easier for them to learn whether they are being paid a decent wage and, possibly, to decide to search for a more attractive job. The opinion of Cullen and Pakzad-Hurson [2018] is similar.

Perez-Truglia [2020] is skeptical of this hypothesis, invoking survey results showing that only 26% of the people who searched income and tax lists were looking for information about their colleagues. In doing so, they aimed to satisfy curiosity rather than to make an analysis, as the very nature of the income and tax information published by the Norwegian state made it difficult to use it as a tool to compare earnings, since the data only reveals the net income of the person concerned. It informs about the entire remuneration including bonuses and fees, as well as unearned income such as capital gains, self-employment income, and social benefits.¹⁰ It follows that even if a colleague is found to have a higher net income as per the disclosed data, this does not mean that their salary is higher. In short, even if poor earners indeed used the pertinent lists to obtain a raise, the scale of this phenomenon was not large [Perez-Truglia, 2020, pp. 1031, 1049].

4.4.2 Increased support for income redistribution

In 2019, an article by Jio [2019] entitled “Income-Tax Transparency and Its Effect Towards Redistribution. Evidence From a Natural Experiment in Norway” on the Norwegian 2001 reform appeared on the Social Science Research Network (SSRN) website. Following the data on Norway and Sweden obtained through the International Social Survey Program (ISSP) from 1999 to 2009, it explores the relationship between easy access to information on the magnitude of income inequality and the extent of support for redistributive state policies.

Jio claims that, in general, people’s attitude toward inequality is affected by its perceived rather than actual magnitude, as people tend to underestimate income discrepancies. For example, if they see their friends’ lifestyles resemble theirs, they consider that this rule is common for everyone, and while ignoring the level of their income, they tend to believe they belong to the “middle class” themselves [Jio, 2019, pp. 2, 6–7]. In other words, people usually believe that they are closer to the middle of the income distribution of the society, than is the case in reality. In 2013, Cruces et al. [2013], based on data for Argentina, were the first to demonstrate the existence of this cognitive error [Cruces et al., 2013; cf. Perez-Truglia, 2020, p. 1044].

Jio’s results confirm that a decrease in the cost of accessing citizens’ income information contributes to the elimination of such cognitive errors. Among the effects of the Norwegian reform was an increase in support for income redistribution, with an econometric analysis revealing that “Norwegian respondents in 2009 give significantly higher support towards redistributive policies” [Jio, 2019, p. 7]. Such a conclusion does not differ from the findings of the authors of earlier works on similar issues. They also show that publishing information on the distribution of income, as well as the situation of specific individuals, increases support for the state’s redistributive policies [e.g. Cruces et al., 2013; Karadja et al., 2015; after Jio, 2019, pp. 2, 11].

Jio also points out that income and tax transparency can become a relatively cheap and easy-to-use economic policy tool that enables the state to pursue effective redistribution policies, as such transparency facilitates overcoming political obstacles to such action. The idea is that better information about the level of real income inequality induces voters to support government programs to ameliorate inequality [therein, pp. 1–2].

¹⁰ By comparison, a US website on state employee income referred to by Card et al. [2012] offers data on remuneration levels to seekers, distinguishing between base remuneration and other forms.

5 2001–2014 system evolution

The arguments of opponents of the radical disclosure of tax information were partly addressed by the Norwegian authorities immediately after the reform was implemented. First, between 2004 and 2006, an option to remotely search collections with data on citizens' income and taxes was restricted, with seekers forced to use the official search engine, which was only available for 3 weeks/year [Teknologirådet, 2010; Perez-Truglia, 2020, pp. 1025–1026].

Then, in 2011, a change in legislation prevented the press from publishing computer-searchable, complete lists of Norwegian taxpayers online. Nevertheless, the press receive the data and journalists use it in their work as prescribed by a separate agreement with the tax authorities, so it is still possible to inform readers about the situation of specific individuals and publish lists of the highest earners. From 2011, and as of the 2010 tax return onward, access to the tax lists has only been possible via a personalized online public service login system, which includes a personal identification number and password [Bø et al., 2015, p. 37]. The website can only be used by people aged 16 years and over; the limit is 500 searches per month per person, with the exception of journalists [Bjørnstad, 2014; Perez-Truglia, 2020, p. 1025].

In 2014, in Norway, the search for information about other citizens' income and taxes ceased to be anonymous, which is ensured by a proper login system. When someone uses a relevant online service (e.g. www.skatteetaten.no, www.skattelister.no, www.nrk.no/skatt, www.tu.no/skattelister) to check the income of an acquaintance, the acquaintance finds out about it. As declared by Finance Minister Siv Jensen, this major change was introduced in January 2014 to protect taxpayers' privacy. Jensen held out hope that, following its implementation, many people would stop searching the lists “out of sheer curiosity,” and assumed that this would reduce the number of instances of list searches. “For many, the disclosure of this information is not pleasant and is seen as an invasion of their privacy,” said Jensen [Bjørnstad, 2014]. Indeed, after this rule changed, the number of instances of pertinent searches decreased by almost 90% in Norway [Travers, 2020].

6 Conclusions

A review of the literature revealed the causes of the Norwegian tax reform of 2001 being deeply entrenched in Nordic history and culture, which include Protestantism, egalitarianism, and the specific mentality of Norwegian society. Moreover, there was also widespread belief that taxpayers have the right to know what is happening with their money, the desire to make tax avoidance more difficult, the desire to spread awareness of the extent of social inequality, and to reduce various forms of discrimination in the labor market. In turn, the most important effects of the reform proved to be an increase in the state's income from taxation, widening of the well-being gap between the wealthy and the poor, an increase in the lowest wages, and an increase in citizens' support for income redistribution. These effects have not always lived up to expectations.

For years, observers have been asking how to transfer the Nordic experience into other societies [e.g., Luhby, 2015; Geraghty, 2018; Czarny, 2023], also including the “social innovations” implemented in the Nordic countries, such as flexicurity in the Danish labor market, pay transparency in Iceland, and educational vouchers in Sweden. The Norwegian tax reform is a spectacular example of a similar “social innovation.” This article can therefore be deemed a contribution that facilitates an answer as to whether and how to draw inspiration from the Norwegian experience. Of course, even a preliminary attempt at such an answer would require writing a separate paper.

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Appendix

Income and tax transparency in Nordic countries

At the beginning of the 21st century, solutions similar to those introduced in the autumn of 2001 in Norway were also in place in other Nordic countries, although less radical.

Finland

In numerous areas of Finland, the citizens' tax data held by tax offices were transparent as early as the 1920s. From the 1960s into almost the late 1980s, the Finns could purchase printed "tax yearbooks" on the residents of their municipality. In later years, the income data of every Finnish citizen (regardless of the amount) could be obtained by telephone or by using computers provided at the tax offices.

Since 2000, the lists, which include all persons with a taxable income of 100,000 euros or more in the previous tax year, have been announced for media use on the first business day of November (known as the tax day). From 2019 onward, it has been possible to request (for each year separately) removal from such a list (on the grounds, for example, of fear of criminals). In 2019, around 200 Finns used this option; the following year, with online requests in place, this number increased to around 4,400 people.

The information disclosed includes the name, year of birth, and place of residence (but not address) of the person concerned, their taxable income, the amount of taxes and fees paid, and the amount of tax refund. After 2000, the tax day became a media show in Finland focused on Finland's top earners, celebrities, and potential tax cheaters. Several national newspapers (e.g., Helsingin Sanomat or *Ilta-Sanomat*) use the tax day to launch or update databases that allow readers to search for the names and incomes of wealthy Finns [Dunaiski, 2021, p 14; see also: Barry, 2018].

Sweden

In Sweden, information on citizens' income and taxes was already publicly available in the second half of the 18th century. Since 1980, this information has been easily available as a so-called tax yearbook (in Swedish: *Taxeringskalender*) one can buy [Reise, 2013]. In 2022, it had cost around 31 euros. It provides information on the amount of taxable income of residents (including foreigners) of the region with their date of birth and marital status, listed by the residents' names. The tax yearbooks are also made available in public libraries, with the nationwide version being several phone books thick. Unlike in Norway, no information on the residents' wealth is made public in Sweden.

Another solution is to visit the local tax office (in Swedish: *Skatteverket*) or to speak to a member of the office's tax information department by telephone. It is free of charge, all the taxable income of residents is disclosed, and millions of times a year the telephone tax information is used in Sweden by private individuals and credit institutions searching for customer information. This information is also available on numerous private websites that provide the same official information for a fee. However, those who access the data concerned otherwise than by reading the tax yearbook are no longer anonymous, as information about the data downloaded, together with the name of the person downloading it, is passed on to the person to whom the information relates to.

The Swedish press is eager to publish various extracts from the tax yearbooks (e.g., lists of "your neighbours who earn at least one million krona a year," "people whose income has increased the most over the last year," "young Swedish millionaires"). Similarly as in Finland, in Sweden, it is also possible to request removal from the list concerned.

Iceland and Denmark

Similar solutions to those applied in Norway and Sweden are in place in Iceland, where citizens' income and tax information can only be accessed for a fortnight after it is officially announced.

It is completely different in Denmark, though. The Danish authorities do not disclose citizens' income and the amount of taxes they pay. However, since June 2012, taxes paid by private Danish enterprises have been made public in Denmark.