A COMPARATIVE ANALYSIS OF MACROECONOMIC DIVERGENCES BETWEEN NORDIC AND ANGLO-SAXON ECONOMIES

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Abstract

This paper analyses the macroeconomic differences between the Nordic countries (Sweden, Denmark, Norway, and Finland) and the Anglo-Saxon countries (USA, UK, Canada, and Australia), focusing on the evolution of GDP, the policy rate, and inflation. Furthermore, financial market performance was assessed through stock market indices for both groups. The study is relevant for understanding the way in which different economic-ideological models influence financial stability and social development, considering the interaction of these economies in the global market. This research aims to compare the economic developments of the two groups of economies during the 2005-2023 period, in order to identify the impact of different economic policies on stability and sustainable growth. The methodology applied involves a comparative analysis of macroeconomic data as well as the real economy, represented by stock market performance. The main research question addressed in the study is: What are the significant differences in macroeconomic performance between the Nordic and Anglo-Saxon economies? Towards the conclusion of the study, differences in the approaches of the two groups of countries will be observable, both during periods of crisis and economic expansion. The analysis of stock market index volatility serves as an indicator of overall economic health, reflecting the prosperity and stability of each country across its key sectors.

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Keywords: economic models, macroeconomic indicators, Nordic pattern, Anglo-Saxon pattern, capital markets

JEL Classification: E44, E32, F41, P51, O57

DOI: https://doi.org/10.65672/fs.2026.1.4

1. Introduction

In recent decades, the economic literature has increasingly highlighted the existence of distinct institutional varieties of capitalism, which reflect significant differences regarding the role of the state, labour market organisation, social welfare systems, and the regulation of financial markets (Hall & Soskice, 2001; Amable, 2003). Two of the most contrasting models are Nordic capitalism (practised in states such as Denmark, Sweden, Finland, and Norway) and the Anglo-Saxon model (found in the United States of America, the United Kingdom, Canada, and Australia). These models represent archetypes of the "universalist welfare state" versus the "minimally regulated free market," each with a distinct economic philosophy and important implications for macroeconomic performance and citizen well-being. The Nordic model is often characterised by a unique combination of a competitive free market and an extensive welfare state, capable of providing high-quality public services, redistributive equity, and massive investments in human capital (Andersen et al., 2007; Sapir, 2006). In contrast, the Anglo-Saxon model promotes minimal state intervention, high labour market flexibility, pro-cyclical fiscal policy, and a heavy reliance on financial markets for resource allocation (Boyer, 2005). In the current global context, marked by challenges such as persistent post-pandemic inflation, the fragmentation of global supply chains, the energy transition, and demographic pressures, it is essential to understand which of these models has offered greater economic resilience and systemic stability. Thus, this paper aims to conduct a comprehensive comparative analysis between the Nordic and Anglo-Saxon economies from three complementary perspectives: (i) the evolution of major macroeconomic indicators during the 2005–2023 period (GDP, inflation, interest rates); (ii) the performance and volatility of stock market indices in the 2017–2024 interval, as a reflection of market confidence and financial stability; (iii) the assessment of the influence of different economic policies on the dynamics of economic stability.

The methodology applied combines quantitative analysis of macroeconomic time series with a qualitative approach to institutional and public policy differences. Economic governance models are analysed not only descriptively, but also in relation to moments of systemic crisis. The paper draws upon recent contributions from the comparative literature, such as those by Kenworthy (2011), Aiginger and Guger (2006), and Storm and Naastepad (2012), who have highlighted that the diversity of capitalisms does not imply absolute hierarchies, but rather different responses to structural and cyclical challenges.

The main contribution of the paper lies in correlating economic policy models and macro-financial performance in a temporally synchronised and analytically comparable manner, based on empirical data from two economically advanced but ideologically divergent regions. In an era where governments worldwide are seeking solutions to balance economic growth, fiscal sustainability, and social equity, the analysis presented offers valuable lessons for public policy formulation, especially in emerging economies shaping their development strategies. The remainder of the paper is organised as follows: Section 2 provides a review of the relevant literature on the typologies of capitalism and the structural differences between the Nordic and Anglo-Saxon models. Section 3 describes the dataset and methodology. Section 4 presents the empirical results regarding macroeconomic indicators and capital markets, along with a discussion of the findings. Section 5 concludes with conclusions and suggestions for future research.

2. Literature Review

Over the past half-century, the academic literature has extensively documented the existence of distinct institutional models of capitalism, as reflected in the varying ways in which states integrate market mechanisms with public intervention. A fundamental premise is the “varieties of capitalism” framework proposed by Hall and Soskice (2001), which distinguishes between coordinated market economies (CMEs), characteristic of Northern Europe, and liberal market economies (LMEs), exemplified by countries such as the United States, the United Kingdom, and Australia. These two types of economic organisation entail substantial divergences in social policy, labour market regulation, innovation, and the distribution of income.

The Nordic model is frequently regarded as an example of an "active welfare state," integrating competitive markets with a high degree of redistribution and universalist social protection. Andersen et al. (2007) underscore that the success of the Nordic model is grounded in a highly progressive tax system, substantial public investments in education and health, and the institutionalised cooperation among employers, labour unions, and the state. Sapir (2006) classifies the Nordic model as the most effective of the European social models, combining economic efficiency with social equity. In contrast, the Anglo-Saxon variant emphasises labour market flexibility, limited governmental intervention, and targeted social policies generally restricted to disadvantaged groups. These characteristics are associated with ongoing economic expansion, but also with high levels of income inequality and labour market precariousness (Kenworthy, 2011; OECD, 2017). Boyer (2005) argues that this model is more exposed to cyclical fluctuations and financial crises due to the deregulation of the banking system and capital markets. Regarding macroeconomic performance, the Nordic model proved more resilient than the Anglo-Saxon economies during the 2008 global financial crisis (OECD, 2011). According to an IMF report (IMF, 2013), robust social protection systems and a responsible fiscal structure helped mitigate the impact of the recession on domestic demand and employment in Nordic countries. Furthermore, the European Commission (2020) notes that Nordic economies tend to exhibit superior performance in terms of fiscal sustainability and green transitioning, whereas Anglo-Saxon economies primarily depend on market instruments and short-term fiscal incentives.

On the financial market, the literature highlights clear differences in stock market index behaviour, volatility levels, and their correlation with economic cycles. Empirical studies (e.g., Christiansen and Ranaldo, 2008; Bekaert et al., 2012) show that stock exchanges in Anglo-Saxon economies tend to be more volatile but often offer higher long-term returns. On the other hand, Nordic markets exhibit greater stability but are more conservative regarding systemic risk-taking. Significant support for this view comes from the World Economic Forum (2023), which indicates that Norway, Sweden, and Finland are consistently ranked at the top for financial stability and quality of economic governance. At the same time, the Global Competitiveness Index (WEF) shows that Anglo-Saxon economies excel in innovation and financial market development, but face

challenges related to social polarisation and economic volatility. Another important aspect highlighted by the literature is the management of public debt and inflation. Nordic countries have practised counter-cyclical fiscal policies, with a firm commitment to fiscal sustainability and central bank independence (IMF, 2022). In contrast, countries such as the USA and the United Kingdom adopted expansionary monetary and fiscal policies during crisis periods, which led to the accumulation of high debt levels and inflationary pressures in the post-pandemic era (OECD, 2023).

In conclusion, the specialised literature provides a solid theoretical framework and ample empirical evidence supporting the idea that models of capitalism fundamentally influence an economy's macroeconomic trajectory and financial stability. However, few studies have conducted a synchronised analysis of macroeconomic performance and financial markets between these two groups of countries, over an extended period and in the context of recent crises (2008, 2020, 2022). This study seeks to address this gap, thereby contributing to an understanding of how institutional differences influence economic dynamics over time.

3. Methodology

This paper adopts a comparative quantitative and qualitative approach, designed to investigate the differences between two fundamental economic models from the perspective of macroeconomic performance and capital market stability. The research is based on the empirical analysis of time series pertaining to key macroeconomic and stock market indicators in the 2005–2023 and 2017–2024 intervals, respectively, in parallel with a theoretical interpretation based on the institutional characteristics and economic policies of each category of states. The selection of countries was based on the relevant academic literature, specifically on the 'varieties of capitalism' model proposed by Hall and Soskice (2001) and extended by Amable (2003). Consequently, the Nordic economies category includes Denmark, Finland, Norway, and Sweden, while the Anglo-Saxon group is represented by the United States of America, the United Kingdom, Canada, and Australia. This framework reflects the structural differences with respect to the role of the state in the economy, social policies, the degree of labour market regulation, and income redistribution mechanisms. These intervals were selected to capture

both periods of crisis (such as the 2008 global financial crisis and the economic crisis provoked by the COVID-19 pandemic), as well as the stages of recovery and reform, alongside the global inflationary context and post-pandemic fiscal consolidation. The data frequency varies according to the nature of the indicators: annual for macroeconomic data and daily for stock market financial data.

Regarding the macroeconomic indicators, the analysis concentrated on the following variables: real gross domestic product (GDP) per capita (expressed in international dollars, adjusted for purchasing power parity), the inflation rate as measured by the consumer price index (CPI), and the monetary policy interest rate. The data for these indicators were collected from internationally recognised sources, renowned for their accuracy and data comparability, such as the OECD.Stat, Eurostat, the World Bank (World Development Indicators), the International Monetary Fund (World Economic Outlook Database), FRED (Federal Reserve Economic Data), and the official websites of the national central banks. For the analysis of capital market performance, the most representative stock market indices for each country were selected: OMX Copenhagen 25 (Denmark), OMX Helsinki 25 (Finland), OBX Index (Norway), and OMX Stockholm 30 (Sweden) for the Nordic economies, and the S&P 500 (USA), FTSE 100 (United Kingdom), S&P/TSX Composite (Canada), and ASX 200 (Australia) for the Anglo-Saxon economies, respectively. For each of these indices, conditional volatility was calculated using the GARCH model in EViews 12, with the data being extracted from the Investing.com financial platform.

To analyse the return volatility of the stock market indices in the working sample, we employ the GARCH model. This is an econometric model used to describe the time-varying conditional variance (conditional heteroskedasticity) within a time series, such as financial returns (Chen, 2024).

GARCH models are widely used in volatility analysis because they effectively capture time-varying variance and volatility clustering, two core characteristics of financial return series. They allow current volatility to depend on past shocks and past volatility, making them flexible and well-suited for modelling financial markets. Due to their strong empirical performance, ease of estimation, and numerous extensions, GARCH models have become a standard tool in risk management, forecasting, and econometric analysis. Strong applications of this methodology are well documented in the literature.

Notable examples include the studies of Albu et al. (2014, 2015a, 2015b, 2016), which provide comprehensive empirical demonstrations across multiple market contexts. Additional relevant contributions can be found in Lupu and Calin (2014), who extend the methodological framework to broader financial applications, as well as Calin (2015), which offers further refinement and validation. Together, these works illustrate the robustness and versatility of the methodology.

Thus, prior to applying the GARCH (1,1) specification, we calculate the logarithmic returns for the 8 previously described stock market indices. The choice of this econometric model stems from its widespread use in both the academic literature and professional practice. The form defines the GARCH model.

Let there be a series of logarithmic returns $\{r_t\}$. The mean equation becomes:

$$r_t = \mu + \epsilon_t \tag{1}$$

In which:
r_t = the return at time t
μ = the constant mean
ϵ_t = the error term or shock at time t.

In this context, the error equation is:

$$\epsilon_t = \sigma_t z_t \tag{2}$$

Where:
$z_t \sim i.i.d.\, N(0,1)$ an independent and identically distributed (i.i.d.) random variable, and
σ_t^2 is the conditional variance at time t

The conditional variance equation GARCH (p, q) has the form:

$$\sigma_t^2 = \alpha_0 + \sum_{i=1}^{q} \alpha_i \epsilon_{t-i}^2 + \sum_{j=1}^{p} \beta_j \sigma_{t-j}^2 \tag{3}$$

In which:
$\alpha_0 > 0$, $\alpha_i > 0$, $\beta_j > 0$
α_i = the ARCH coefficients
β_j = the GARCH coefficients.

To obtain the results, the GARCH (1,1) model is estimated for each of the 8 indices, yielding 8 volatility models. Subsequently, the results were annualised to provide an optimal basis for comparison.

Furthermore, an applied descriptive-explanatory analysis was conducted. In the first phase, the values and trajectories of the selected indicators for each group of countries are empirically presented, emphasising major trends, structural breaks or crisis moments, and the convergences/divergences between the models. In the second stage, these developments are explained through the lens of the structural and institutional differences between the two economic models, integrating theoretical interpretations that support the hypothesis that the architecture of economic and social policy significantly influences macroeconomic stability and stock market performance. Comparative graphical representations and summary tables are also utilised to visually illustrate the observed differences and facilitate comparability between the two groups.

4. Results and Discussion

4.1. Discussion on the descriptive-explanatory analysis

Between 2005 and 2007, the Anglo-Saxon countries registered solid economic growth, led by Canada and Australia, nations bolstered by global demand and resource-based industries. The 2008–2009 crisis led to a sharp economic decline, with Canada being the most affected (-11.3%), while Australia proved to be relatively resilient. In the period between 2010 and 2019, economic growth was moderate for the United States and the United Kingdom, which recorded steady growth of 3–4%, while Australia enjoyed a more pronounced level of prosperity. Canada registered a higher level of volatility, which led to significant downturns in certain periods. In 2020, the pandemic generated an unprecedented economic decline, followed by a remarkable recovery in 2021, with growth rates ranging between 8% and 21%. Between 2022 and 2023, the growth rates diminished but remained relatively high (Appendix, Figure 1). Economic growth was more stable in the Nordic states. Norway and Finland registered growth rates exceeding 6% and 8%, respectively, in 2007, and despite the 2008–2009 global economic crisis, their recovery was rapid. Norway consistently remained stronger, owing to its energy resources. After 2010, economic growth trends were more subdued. Denmark, Sweden, and Finland oscillated between 2–5%, while Norway benefited from sustained energy demand. In 2020, the declines were less pronounced than in other regions, and in 2021–2022, Norway recorded explosive growth (24.2% and 33.8%), fuelled by energy

exports. In 2023, a sharp decline followed (-11%), representing a correction of the previous boom (Appendix, Figure 2). Anglo-Saxon economies exhibited pronounced cyclicality, with sharp downturns and rapid recoveries, supported by structural flexibility and substantial fiscal and monetary stimuli. By contrast, Nordic economies were distinguished by a more stable, yet vigorous dynamic, underpinned by fiscal prudence, a competitive export base, and institutional resilience. The differences in the intensity of economic shocks and the pace of recovery reflect distinct economic models; while Anglo-Saxon countries respond promptly to stimuli, Nordic states are better able to attenuate fluctuations through established protective measures and counter-cyclical policies. Concurrently, Norway's performance during the 2021–2022 period stands out as a significant anomaly, attributable to favourable conditions in the energy markets. The 2005–2023 period illustrates that both models can function effectively in crisis contexts, provided that economic policy ensures a balance between flexibility and stability.

Inflation remained within the 2–3.5% range in the Anglo-Saxon countries, in line with monetary targets (Mello, L. (ed.), 2008). The financial crisis caused a sharp drop in inflation, particularly in the United States, where a 2% deflationary period was even recorded in 2009. Between 2010 and 2019, inflation remained largely below the 2% threshold, reflecting a disinflationary regime supported by globalisation and modest wage growth. In 2020, inflation was subdued, reflecting the effects of the pandemic. In 2021, however, an intensification was observed, which reached values of 8% in the United Kingdom by 2022 (Appendix, Figure 3). The surge in inflation was driven by accumulated demand, supply chain bottlenecks, and exceptionally high energy prices (Bethmann, E., Hong, C., Jones, L., & Peterson; J., 2022). In 2023, inflation began to decline but remained above the historical average. In the Nordic countries, inflation is lower during the first part of the period. Between 2005 and 2008, inflation was moderate in these cases, not reaching 3%, while in 2009, declines or even deflationary pressures were recorded. From 2010 to 2019, inflation remained low, particularly in Sweden, where the use of negative interest rates became necessary (Andersson, F. & Jonung, L., 2020). In 2020, inflation remained low, but it rose rapidly in 2022 (exceeding 7% in all Nordic countries except Norway). Although inflation rates approached those of the Anglo-Saxon countries, the dynamic was slightly delayed. In 2023, inflation remained pronounced, although a sharp decrease

was noted in Denmark, attributable to declining energy prices (European Commission, 2024). We can observe how both groups of countries experienced a cyclical inflation pattern. The Anglo-Saxon economies were more exposed to external shocks and, consequently, registered higher volatility, whereas the Nordic economies had a lower level of inflation before the pandemic. Overall, the 2005–2023 period reflects a radical shift in the global inflationary paradigm. Anglo-Saxon countries faced inflationary pressures earlier and more intensely, while Nordic economies absorbed these shocks with greater prudence.

Prior to the onset of the 2008 financial crisis, interest rates were relatively high, supporting moderate economic growth. The financial crisis triggered a sharp decline in interest rates, bringing them close to zero, marking the beginning of a period of loose monetary policy (Cecchetti, S., 2008). In the 2010–2019 period, interest rates remained at low levels, with a tentative normalization attempt initiated by the United States and Canada starting in 2016 (Appendix 1, Figure 4). The COVID-19 pandemic once again drove interest rates to the lowest values recorded for the analysed period. However, in the 2022–2023 period, accelerated inflation led to a sharp increase in rates: over 5% in the United States and Canada, nearly 5% in the United Kingdom, and 4% in Australia. This radical change marks the transition to a new restrictive monetary cycle. The Nordic countries followed a similar path, with high rates before the crisis and sharp reductions between 2008–2010. Subsequently, interest rates were maintained at very low levels, and Sweden and Denmark applied negative interest rates between 2015 and 2020, as previously specified. The pandemic did not generate further reductions but consolidated the zero-interest rate regime (Appendix, Figure 5). Beginning in 2022, inflationary pressures forced a sharp reversal of interest rates in the Nordic economies as well, reaching values between 3.4% and 4.2% in 2023. Although both groups of countries followed similar directions in monetary policy, there were clear differences in the pace and magnitude of the adjustments. Anglo-Saxon economies adopted a more responsive and counter-cyclical approach, unlike the Nordic nations, particularly Sweden and Denmark, which were noted for a more conservative strategy (Turk, R.A., 2016). The United States and Canada began the normalization process earlier (starting in 2016), while most Nordic countries maintained interest rates near zero until 2021. However, the global inflationary wave ultimately imposed a convergence of monetary strategies.

4.2. Discussion regarding the financial market analysis

The graph depicting the dynamics of stock market index returns in the Anglo-Saxon countries (Appendix, Figure 6) exhibits values averaging near zero, which is typical for high-frequency financial time series. However, clear episodes of heightened volatility are evident, the most notable of which occurred in March 2020, when the COVID-19 pandemic triggered a global health crisis and widespread stock market panic. This event is illustrated in the graph by major spikes, both negative and positive, in some cases exceeding daily fluctuations of ±10%. The S&P 500 and TSX indices, representing the North American markets, are distinguished by a more pronounced amplitude of these oscillations, indicating a more aggressive investor response in this region, as well as greater liquidity that permits such abrupt movements. The FTSE 100 and ASX 500, in contrast, appear slightly more temperate, although they follow the same general trajectory, confirming the high level of global market interconnection. In the years following the health crisis, particularly in 2021, a significant reduction in daily volatility is observed, a sign of gradual recovery and consolidated market confidence, driven by the resumption of economic growth and monetary stimuli. However, the 2022–2023 period brings back heightened volatility, generated by factors such as persistent inflation, the accelerated increase in monetary policy interest rates, the war in Ukraine, and uncertainties regarding the global economic trajectory. Daily returns during this period are, nevertheless, better anchored and less extreme than those of 2020, which may indicate investor adaptation and acquired wisdom in risk management. The comparison of the four indices reveals that the American markets, represented by the S&P 500, are more volatile but also more reactive, whereas the British and Australian markets are more conservative, likely due to their sectoral structure and local investment culture. The TSX, with its significant component of companies from the resources sector, exhibits volatility influenced by the dynamics of oil and metal prices, which partly explains the larger movements observed. Daily returns become an indirect indicator of investor sentiment and the degree of financial stress existing at a given moment. The emerging conclusion is that, despite geographical diversification, correlations between major stock exchanges remain high during crisis periods, which limits the effectiveness of diversification at such times. Concurrently, it is confirmed that volatility is not merely an expression

of uncertainty, but also of the markets' adaptability in the face of rapid changes in the economic environment.

We will further analyse the evolution of daily returns for the main stock market indices in the Nordic countries, specifically the OMX Stockholm, OMX Copenhagen 25, Oslo OBX, and OMX Helsinki 25, during the period from the beginning of 2017 to the beginning of 2024. These indices are relevant for understanding investment behaviour in developed economies, albeit on a smaller scale compared to the major global financial centres (Appendix, Figure 7). The evolution of daily returns is centred, much like the Anglo-Saxon ones, around the zero value, which is typical for mature markets in the absence of external shocks. However, the graph highlights several episodes of accentuated volatility, particularly during the March-April 2020 period, when markets reacted violently to the onset of the COVID-19 pandemic. This global health crisis was felt simultaneously across all four Nordic markets, which recorded daily drops exceeding 10%, followed by rapid recoveries. The volatility was widespread, indicating a high correlation between these exchanges during moments of systemic stress. In fact, the entire 2020–2021 period was characterised by higher-than-average fluctuations, reflecting economic uncertainty and unprecedented monetary interventions. Subsequently, the markets appear to have returned to a more subdued volatility regime, though not to pre-pandemic levels, a sign that investors remained cautious in the face of persistent risks. The 2022–2023 period brought new episodes of agitation, driven by the resurgence of inflation, successive interest rate hikes, and the conflict in Ukraine. Daily returns again became more dispersed, particularly for the OMX Copenhagen 25, which registered some more extreme isolated variations, possibly reflecting specific news related to large listed companies or changes in liquidity. The OMX Helsinki 25, represented by a more pronounced visual density, seems to have a relatively lower and more constant volatility, suggesting either a more balanced sectoral structure or reduced participation from international investors. The Oslo OBX, as an index for a market where the energy sector holds a significant weight, might be particularly influenced by oil and natural gas price developments, but in this graph, it largely aligns with the other Nordic indices. Towards the end of the analysed period, namely in 2023–2024, new negative spikes appear among the daily returns, which may signal the resurgence of systemic risks or reactions to political, macroeconomic, or geopolitical decisions. According to these

observations, Nordic markets are not isolated from global dynamics and, although they may possess their own characteristics of stability, they react synchronously to international shocks. This limits the benefits of diversification within the Nordic region during crisis periods. Concurrently, the analysis highlights that daily returns can offer a detailed perspective on the degree of market stress and uncertainty, and the presence of common patterns among exchanges indicates an increasingly strong financial interdependence. In conclusion, the graph reflects a common behaviour of Nordic capital markets in the face of major risks, a gradual return to post-pandemic normality, but also the persistence of accentuated volatility episodes, which underscores the need for careful risk management and broader global diversification in investment strategies.

In Figure 8 (in the Appendix), we remark an increased volatility in March 2020 (the COVID-19 crisis). All indices registered significant volatility peaks in the first quarter of 2020. The S&P 500 and ASX 500 experienced the most pronounced increases, with values exceeding 16%, an indication of the global panic in financial markets. This peak is consistent with the onset of the pandemic and the market crash. We also note resurgences of volatility at various moments (e.g., in 2022), possibly linked to: the war in Ukraine, high inflation and rising interest rates, and other geopolitical tensions. The results denote a pronounced volatility for the S&P 500 index, perhaps reflecting a greater sensitivity of the US market to economic and geopolitical news.

Figure 9 (in the Appendix) is dedicated to the volatility of indices from the Nordic countries. We continue to observe an abrupt peak in volatility in Q1 2020, caused by the COVID-19 pandemic. The maximum level reached is around 8%, similar to other global markets. Furthermore, a synchronised response of these Nordic exchanges to the global shock is observed. After the initial shock, volatilities decrease rapidly and stabilise between 0.5% and 2%, indicating reduced post-pandemic volatility. An interesting observation is the distinct trajectory we remark for the OMX Copenhagen 25. From late 2022 through 2023–2024, the OMX Copenhagen 25 exhibits recurrent episodes of increased volatility, some exceeding 12%. These spikes are not visible in the other indices and could reflect increased sensitivity to local shocks (e.g., the pharmaceutical sector, green energy), speculative movements, or significant corporate news within major Danish companies.

5. Conclusions

The analysis conducted highlights systematic differences between the Anglo-Saxon and Nordic economies, both from a macroeconomic perspective and regarding the behaviour of financial markets. During the 2005–2023 period, the Anglo-Saxon countries followed a model characterized by high structural flexibility, rapid responses to economic shocks, and expansionary fiscal and monetary policies. This model allowed for vigorous economic recoveries, but it also accentuated the volatility of economic cycles, inflation, and financial markets. In contrast, the Nordic economies demonstrated superior resilience, supported by fiscal prudence, solid institutions, and effective counter-cyclical measures, which permitted an attenuation of fluctuations and greater long-term stability.

Throughout major crises, such as the 2008–2009 financial crisis and the 2020 pandemic, the Nordic countries managed to avoid extreme deteriorations in macroeconomic indicators, and their economic recovery was often more balanced. However, post-pandemic dynamics exposed the limits of Nordic conservatism, particularly regarding the lag in monetary adjustments. At the same time, the extreme volatility of stock markets in the Anglo-Saxon countries, reflected in the amplitude of daily returns and episodes of financial stress, was coupled with a more rapid adaptability of investors to new market conditions. This volatility, although risky, can also be interpreted as an expression of the market's capacity to rapidly integrate information and react to uncertainties. In the case of Nordic countries, capital markets proved more stable during normal periods but reacted synchronously with international markets during times of crisis, which limits the effectiveness of diversification within the region.

The relevance of these results lies in highlighting two functional economic models that are, however, profoundly different in their approach to risk and public policy. The Anglo-Saxon model favours flexibility and rapid intervention, whereas the Nordic model relies on structural stability and gradual adjustments. Both models have demonstrated their effectiveness in crisis contexts, but with different trade-offs between speed of adaptation and the degree of volatility. Furthermore, the results have significant implications for economic policy formulation: in periods of global uncertainty, the mix of proactive counter-cyclical policies and institutional stability becomes essential for maintaining economic sustainability.

However, the analysis also presents certain limitations. The analysed period, although extensive, does not cover the long-term effects of new emerging global shocks, such as the energy transition, geopolitical shifts, or accelerated digitalisation. Lastly, financial markets are also affected by behavioural factors, which are difficult to quantify in a purely descriptive analysis.

In conclusion, the findings of this research contribute to the understanding of the differences in resilience and shock response among advanced economies, offering a useful framework for reflection on economic policies and investment strategies. They suggest that there is no single successful model, but rather a need for continuous adaptation, a balance between flexibility and stability, and institutional learning in the face of global challenges.

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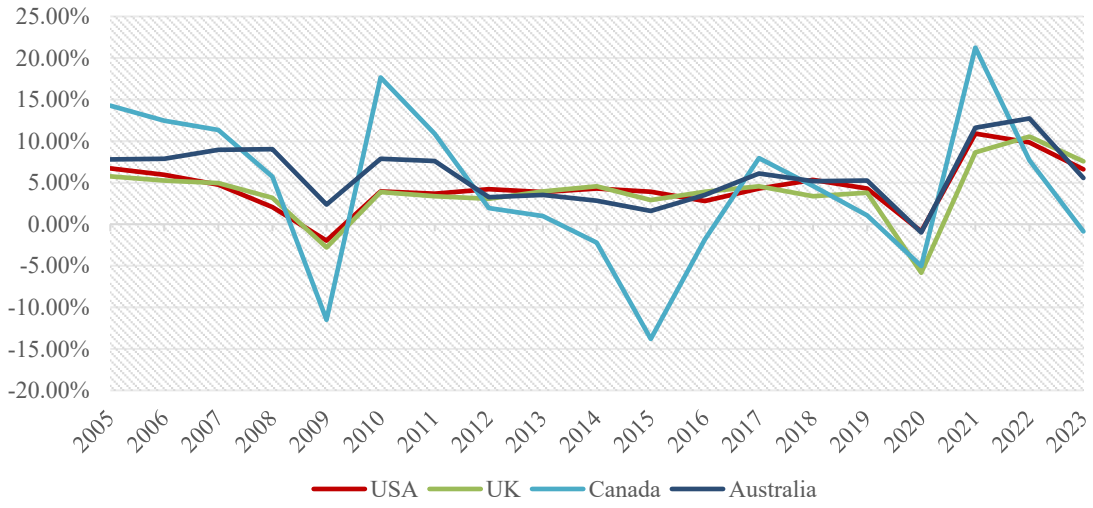
APPENDIX

Figure 1

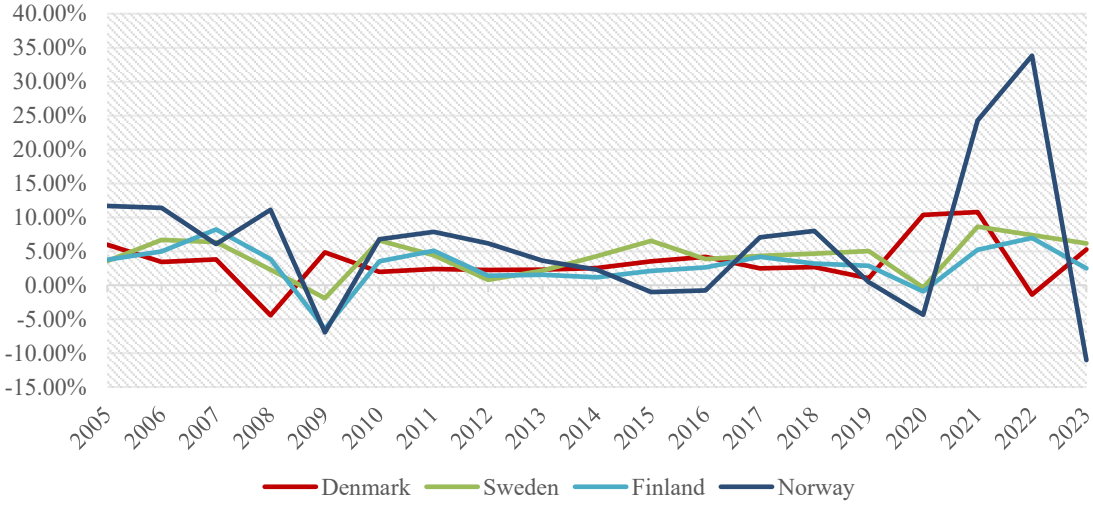
Dynamics of Economic Growth in Anglo-Saxon Countries (2005-2023)



Source: Authors' representation

Figure 2

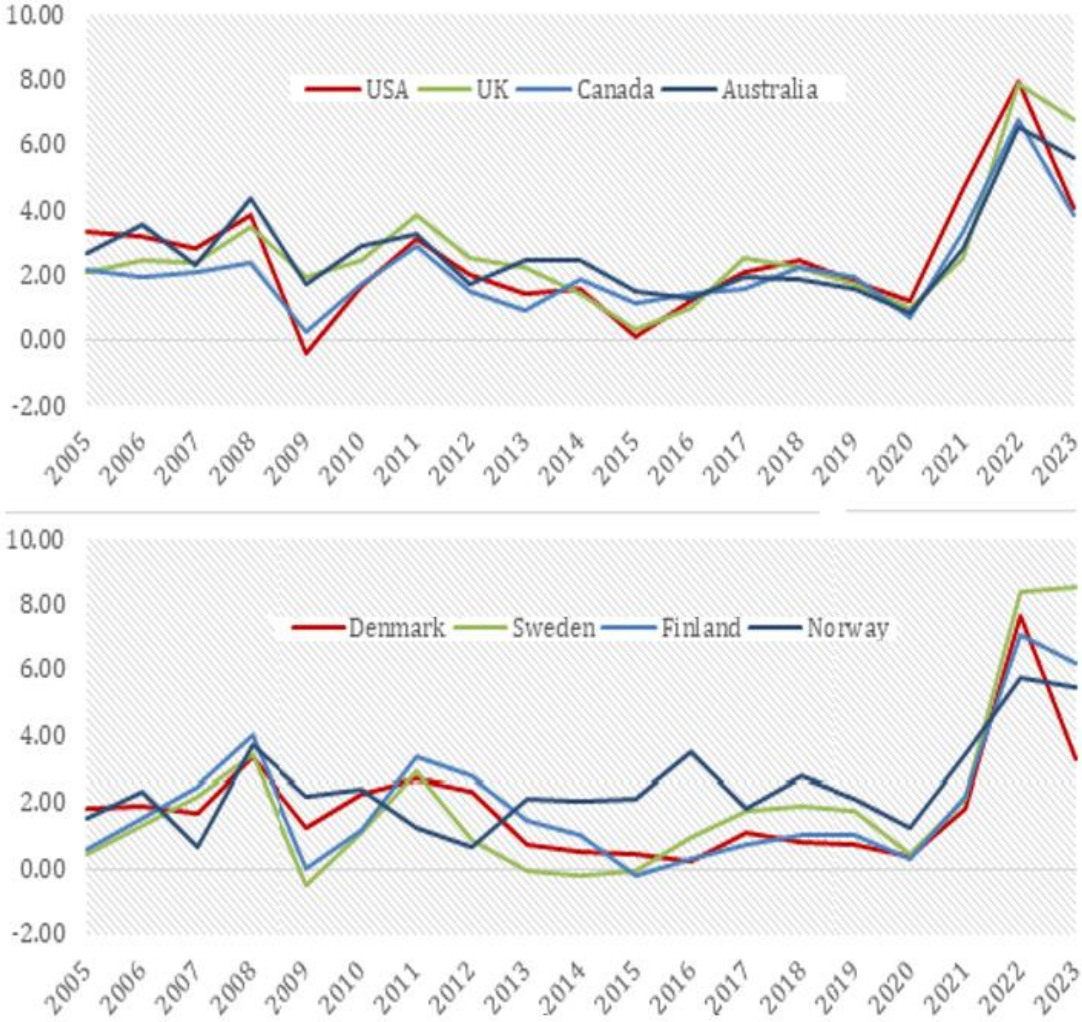
Dynamics of Economic Growth in Nordic Countries (2005-2023)



Source: Authors' representation

Figure 3

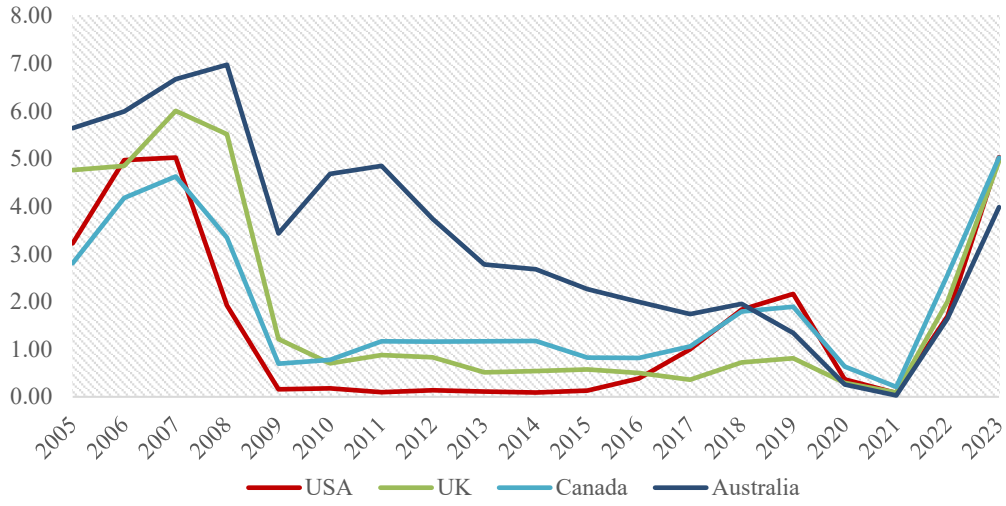
Evolution of the Inflation Rate in Anglo-Saxon and Nordic Countries (2005-2023)



Source: Authors' representation

Figure 4

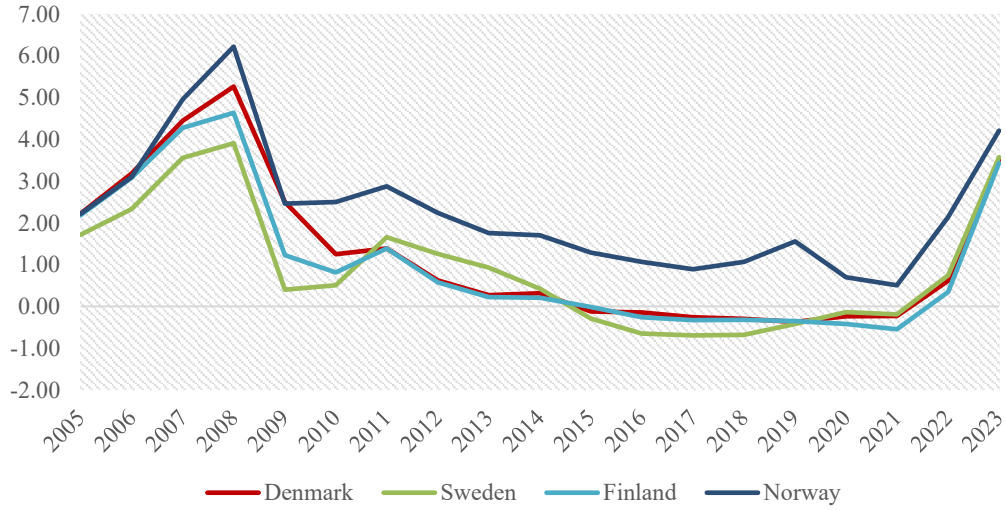
Evolution of the Reference Interest Rate in Anglo-Saxon Countries (2005-2023)



Source: Authors' representation

Figure 5

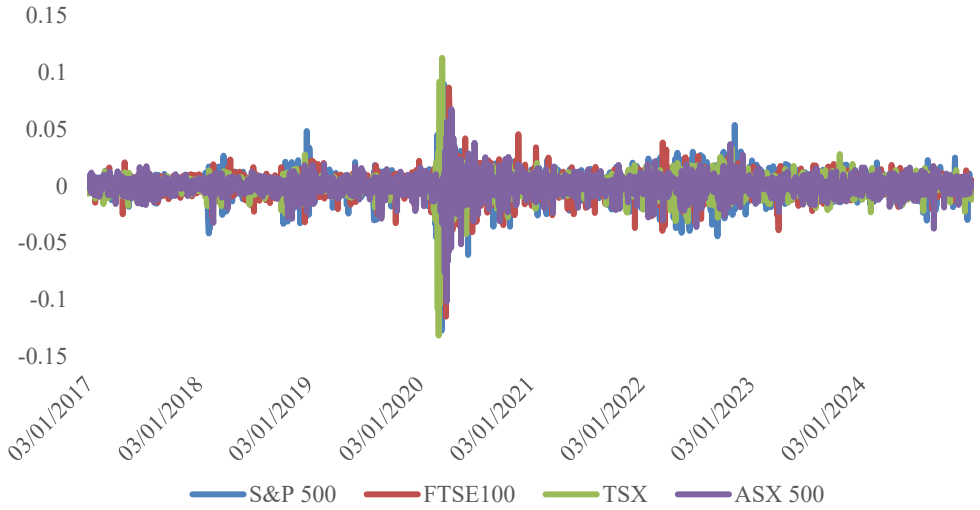
Evolution of the Reference Interest Rate in Nordic Countries (2005-2023)



Source: Authors' representation

Figure 6

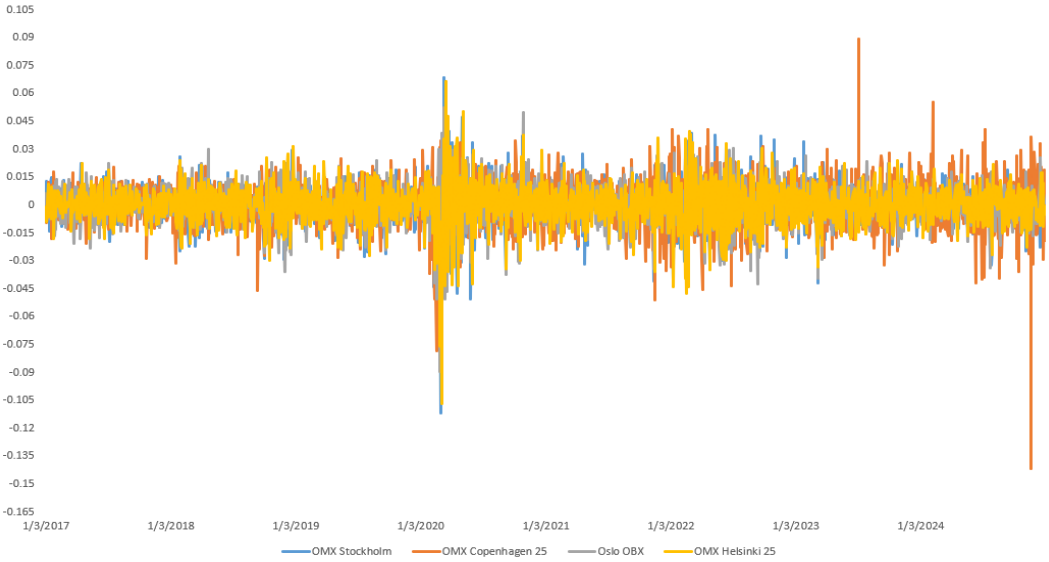
Dynamics of Stock Market Index Returns in Anglo-Saxon Countries (2017-2024)



Source: Authors' representation

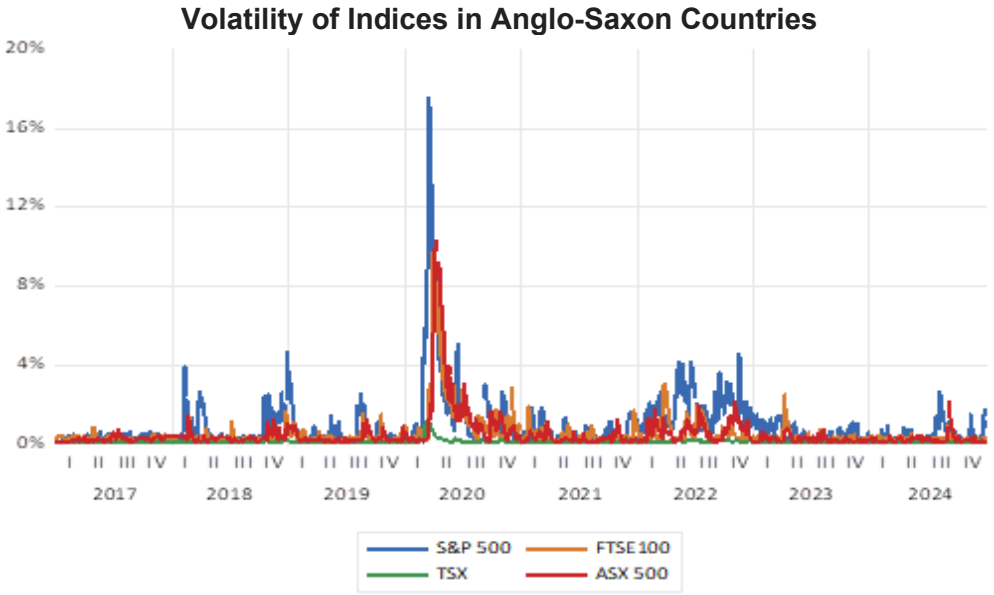
Figure 7

Dynamics of Stock Market Index Returns in Nordic Countries (2017-2024)



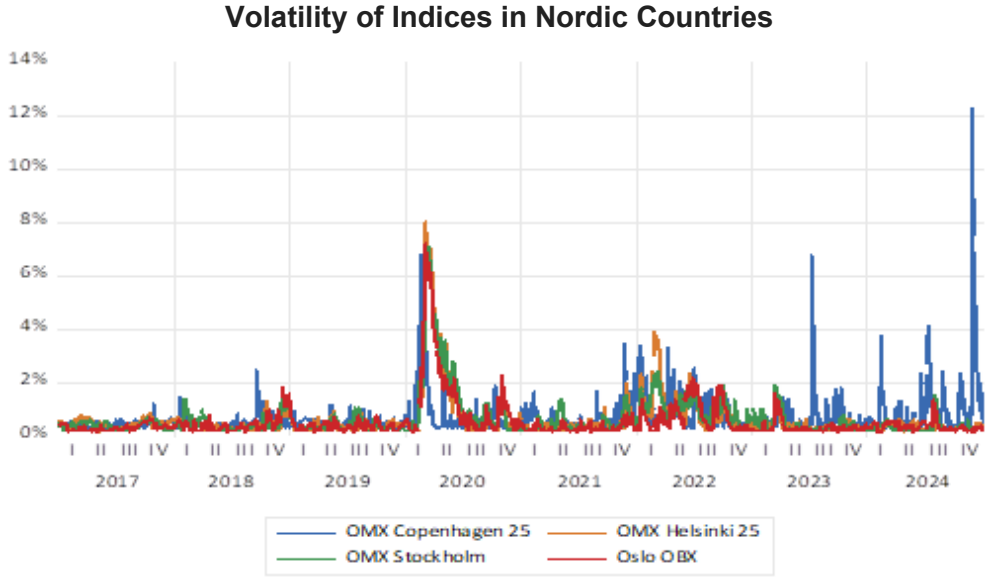
Source: Authors' representation

Figure 8



Source: Authors' representation

Figure 9



Source: Authors' representation