CMI CHR. MICHELSEN INSTITUTE

CMI BRIEF 2026:10

When belonging comes with a mortgage: Homeownership, debt and integration

AUTHOR | **Mari Norbakk**, Chr. Michelsen Institute

Summary

Norway has one of the world's highest levels of household debt, driven largely by mortgage-financed homeownership. At the same time, homeownership is a key indicator of successful integration and participation in society. This creates a paradox. Access to housing, economic security, and even perceptions of belonging increasingly depend on participation in debt markets.

Research among Norwegian-Somali households suggests that some groups face both structural and moral barriers to mortgage borrowing. The consequence is not only reduced access to homeownership, but also exclusion from a system through which integration is often assessed. Effective integration policy requires a clearer distinction between homeownership, economic participation, and social rootedness, while recognising the growing dependence of Norway's housing model on household debt.

Context

Norwegian housing policy is built around the ideal of homeownership (captured in "Eierlinja", the homeowner-line). The post-war welfare state supported this ambition through subsidised credit, housing programmes and favourable tax treatment. Homeownership was not simply about owning property. It became part of the social contract. It offered families stability, security and a stake in the future of the nation.

Today, more than seven in ten Norwegians own their homes. Yet homeownership depends on private mortgages. At the same time, homeownership remains one of the indicators of integration for immigrants. However, access to homeownership has largely been removed from the welfare architecture and transferred to private credit markets. The result is that this indicator becomes dependent on people's willingness and ability to hold debt. As housing markets tighten, indebtedness grows, and concerns about inequality deepen, it becomes important to ask what exactly we measure when we use homeownership as a proxy for belonging.

Key messages

- Homeownership is almost exclusively dependent on private mortgage debt.
- Debt therefore shapes access to belonging and social recognition.
- Some immigrant households face barriers to mortgage access.
- Homeownership-as-integration indicators measures more than housing outcomes alone.
- Integration indicators may privilege specific financial practices.
- Financial inclusion is a housing policy challenge.

When homeownership becomes a measure of belonging

Housing occupies a unique position in Norwegian society. It is simultaneously welfare policy, integration policy and wealth policy. Yet unlike other welfare objectives, access to housing is almost entirely mediated through private debt.

For generations, Norwegians have been encouraged to buy homes, take on mortgages and build wealth through property ownership. Debt has become normalised as the responsible route to adulthood, stability and economic participation. But this normalisation obscures an important political fact: debt is not simply an instrument. It is also a mechanism through which conduct is shaped and populations are governed. By rewarding certain financial behaviours and penalising others, the housing system produces particular kinds of citizens while rendering alternative paths increasingly difficult to sustain.

Monthly mortgage repayments do not merely finance housing. They tie households to decades of obligations that connect their futures to housing markets, banks and broader economic performance. In this sense, debt functions not only as a financial instrument but also as a civic technology. It creates citizens whose participation is made visible through repayment, creditworthiness and the successful management of debt. This governance function is often hidden precisely because the system is experienced as voluntary. Individuals appear to make free choices in the market, yet access to housing, asset accumulation and social recognition increasingly depend on accepting long-term indebtedness. The result is a society in which debt becomes both economically necessary and morally normalised.

As homeownership becomes increasingly dependent on mortgage finance, policymakers face the challenge of distinguishing between social inclusion and access to debt-based pathways into housing.

The hidden assumptions behind integration indicators

When authorities use homeownership as an indicator of integration, they are often attempting to capture several different objectives at once:

- Economic participation
- Commitment to local communities
- Wealth accumulation
- Housing stability
- Social inclusion

These are all legitimate policy concerns. However, homeownership does not measure all of them directly. In practice, homeownership in Norway presupposes access to mortgage credit. This means that an indicator intended to measure integration may also indirectly measure participation in conventional debt markets. Consequently, lower homeownership rates can become interpreted as weaker integration even when people are working, paying taxes, raising families, operating businesses and participating actively in society. When the government relies on homeownership as an indicator to measure integration, it actually only measures participation in a particular debt-based model.

What the Norwegian–Somali case reveals

The experiences of Norwegian-Somali households make these dynamics particularly visible.

Research participants expressed a strong desire for housing security, and especially stability for their families. Many were entrepreneurial, economically active and deeply invested in their futures in Norway. Yet some remained outside the mortgage market due to religious objections to interest-based financing, while others faced practical barriers related to lending assessments and affordability requirements. Importantly, the issue is not simply one of religion.

The findings point to a broader question about how institutions recognise financial behaviour. Many participants relied on savings, family financing or risk-sharing arrangements that are not easily legible within Norwegian conventional banking systems. Such practices often reflected prudence, long-term planning and financial discipline. Yet they did not necessarily translate into mortgage eligibility or homeownership statistics.

The result is a double exclusion:

- Exclusion from housing wealth accumulation.
- Exclusion from indicators used to measure successful integration.

This matters because those affected are not outsiders to Norwegian society. Yet remaining outside the debt economy may place them outside one of the principal mechanisms through which belonging is recognised. The Norwegian-Somali case therefore reveals something much larger than the experiences of a single minority group. It exposes the extent to which access to housing, and belonging have become intertwined with indebtedness in contemporary Norway. We call this “tilhørighet på nedbetaling” or amortized belonging.

A question for policymakers

Norway's policy challenge is not whether homeownership remains desirable.

Rather, the question is whether current systems adequately distinguish between:

HOUSING SECURITY and **MORTGAGE PARTICIPATION**

as well as between:

ECONOMIC PARTICIPATION and **INDEBTEDNESS**

These distinctions matter because Norway's policy ambitions are broader than increasing mortgage uptake. Policymakers seek inclusive growth, equal opportunity, social mobility and cohesive communities. If housing systems reward only those whose financial practices align with conventional credit models, there is a risk that some households become overlooked despite being economically productive and socially rooted.

For regulators and banks, this raises an important strategic question. Are there prudent ways to broaden access to housing and wealth accumulation without assuming that all households will participate in identical forms of debt? What are the long-term social consequences of a housing model that increasingly requires citizens to become indebted in order to access stability, wealth and recognition? And – should we reconsider the homeowner-line itself?

Policy recommendations

Measure belonging more directly

Review whether homeownership adequately captures what it is intended for, or whether complementary indicators are needed.

Separate housing outcomes from financial behaviour
Distinguish between housing security, economic participation and mortgage participation when evaluating integration outcomes.

Strengthen evidence on mortgage-access barriers
Commission research on how lending assessments affect larger families, immigrant households and non-traditional financial practices.

Examine systemic dependence on household debt
Assess the long-term consequences of linking housing access, wealth accumulation and integration so closely to mortgage indebtedness.

Explore alternative housing-finance models
Assess whether existing regulations permit prudentially sound, consumer-protected alternatives to conventional mortgage products.

Conclusion

Norway's homeownership model has delivered security and prosperity for many households. Yet it has done so by making debt the primary gateway to housing, wealth accumulation and, increasingly, recognition as a fully participating citizen.

The experiences discussed here raise an uncomfortable question for a welfare state committed to equality and inclusion: what happens when belonging becomes conditional upon participation in private debt markets? One of Norway's indicators of integration is homeownership, yet access to homeownership increasingly lies outside the welfare architecture itself, delegated instead to private credit markets and banking institutions.

This does not mean homeownership is unimportant. Nor does it mean mortgage finance lacks social value. It does, however, invite critical reflection on whether a democratic welfare state should rely so heavily on debt to govern access to housing, wealth and social recognition.

Selected references

Norbakk, M. & Asutay, M. (2026). *Indebted nordmann: debt, homeownership and subjectivity*, International Journal of Housing Policy. https://doi.org/10.1080/19491247.2026.2673653

Tranøy, B.S., Stamsø, M.A., & Hjertaker, I. (2020). Equality as a driver of inequality? Universalistic welfare, generalised creditworthiness and financialised housing markets. *West European Politics*, 43(2), 390–411. https://doi.org/10.1080/01402382.2019.1612161

Sørvoll, J. (2021). Norsk boligpolitikks fortid, nåtid og framtid (1945–2020). På vei mot et nytt systemskifte i boligpolitikken?. In I Solstad, A. Mfl (Eds.). *Boligsosialt Arbeid* (pp. 203–223). Universitetsforlaget.

Facts about the project

This CMI brief draws on research from the project *The Invisible Ceiling* at Chr. Michelsen Institute (CMI). The project examines how Muslim immigrant entrepreneurs in Norway navigate a financial system that offers few alternatives to interest-based lending, and how this affects entrepreneurship, economic participation, and integration. The project combines interviews, participant observation, surveys, and policy analysis across five Norwegian cities, bringing together expertise from anthropology, finance, history, and civil society organisations. By examining experiences of financial exclusion and alternative economic practices, the project explores how access to finance shapes opportunities for business growth, homeownership, and active citizenship in contemporary Norway.

The Invisible Ceiling is funded by the Research Council of Norway and implemented in collaboration with partners including University of Bergen, Durham University, OsloMet, Diversify, and the Islamic Cultural Center. The article that this brief is based on is co-authored by Mari Norbakk (CMI) and Mehmet Asutay (Durham University).

CMI (Chr. Michelsen Institute)
Phone: +47 47 93 80 00
Phone from abroad: +47 55 70 55 65
E-mail: cmi@cmi.no

P.O. Box 6033,
N-5892 Bergen, Norway
Visiting address:
Jekteviksbakken 31, Bergen

ISSN 0809-6732 (print)
ISSN 0809-6740 (PDF)