

Social Protection in the Nordic Countries 2002

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Scope, expenditure and financing

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Social Protection in the Nordic Countries 2002
Scope, expenditure and financing

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<http://www.nom-nos.dk/nososco.htm>

You can navigate through the statistics by clicking on the 'Statistics' menu.

Preface

The Nordic Social-Statistical Committee (NOSOSCO) is a permanent Committee under the Nordic Council of Ministers and the Nordic Committee on Social Policy. It was set up to coordinate the social statistics of the Nordic countries and to make comparative analyses and descriptions of the scope and content of social welfare measures.

The Committee is composed of three representatives from each country as well as a number of substitutes. The countries chair the Committee in turn for three years with Iceland having the chairmanship for the period 2002-2004.

In its report, *Social Protection in the Nordic Countries*, NOSOSCO publishes its findings regarding current social developments.

As all Nordic countries, as a result of their EU membership or as participants in the EEA cooperation, are obliged to report data on social protection to EUROSTAT, the EU's statistical office, NOSOSCO has decided to follow the specifications and definitions in ESSPROS, EUROSTAT's nomenclature.

This year's theme section deals with human resources and human resource statistics concerning the Nordic care schemes for the elderly.

In connection with the preparation of the present report, NOSOSCO set up an editorial group, which assisted the Committee Secretariat in its work.

PREFACE

The Nordic Social-Statistical Committee is currently composed as follows:

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Johannes Nielsen, Head of NOSOSCO's Secretariat, is the editor of the present report and has acted as secretary to the editorial group.
Nordic Social-Statistical Committee, 2004

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Symbols Used in the Tables:

| | |
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| Data not available | .. |
| Data non-existent | . |
| Less than half of the used unit..... | 0 or 0,0 |
| Nil (nothing to report) | - |

Chapter 1

Changes in the Nordic Social Policies since 2002

DENMARK: The Danish economy is basically sound with no major balance problems. The international economic recession of recent years has, however, resulted in the economic growth dropping from 2.8 per cent in 2000 to 0.4 per cent in 2003. The international downturn has also contributed to a decrease in the employment rate and an increase in the unemployment rate from 5.0 per cent in 2001 to 5.9 per cent in 2003.

With a view to increasing the employment rate and reducing the unemployment rate, a number of initiatives were taken in 2004 to expedite the economic recovery. Contributions payable to the Special Pension Fund (SP), to which all employees' and some recipients of transfer income must pay 1 per cent of their income, has been suspended in 2004 and 2005. The decided tax relief on income from work was advanced so that it will have full effect from 2004. Besides, public housing construction was enhanced and public investment advanced. Furthermore, activities concerning supplementary training and qualifying courses for especially unemployed and employed people with short educations will be enhanced.

As a result of this prompting of the economy and the international recovery, the GDP is expected to grow by 2.2 per cent in 2004 and 2.5 per cent in 2005. The unemployment rate is expected to decrease by almost 25 000 people during 2004, and in 2005 the unemployment rate is expected to go down to 5.3 per cent.

The surplus on the balance of payments' current account increased in 2003 to 2.9 per cent of the GDP, and in 2004 and 2005, a surplus is estimated of 2.9 per cent and 3.0 per cent, respectively. The surplus on the total public finances decreased to 1.2 per cent of the GDP in 2003, but is anticipated to increase again in 2005 to 1.7 per cent of the GDP. The framework for growth in the total public sector is 0.7 per cent in 2004 and 0.5 per cent from 2005 to 2010.

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An industrial injury reform was implemented with effect from 2004. A new injury concept was introduced resulting in more injuries becoming acknowledged as industrial injuries.

Besides, the documentation requirement in connection with acknowledgement of occupational diseases shall be eased with effect from 1 January 2005 which will be especially important in relation to diseases occurred as a result of attrition due to hard work. Self-employed people shall in future be covered by the Industrial Injuries' Act by way of a voluntary scheme. Moreover, industrial injury cases will be settled more rapidly by means of simplifications and allocation of more resources to the National Board of Industrial Injuries.

In December 2003, the Government presented an action plan relating to absence due to illness, which contains proposals for a new flexible and goal-oriented model for the municipalities' following-up on sickness benefit cases focusing on risk cases and keeping of jobs. Medical certificates should be improved to focus on how much work an ill person is actually capable of doing, and the use of reports on partial fitness for work should be promoted. The knowledge-basis for the action against absence due to illness must be improved, for example by way of fully covering statistics on absence due to illness and a new measuring system enabling municipalities to compare their own expenditure on sickness benefits and results of the follow-up action with those of other municipalities. The proposals are expected to be implemented during 2004 and 2005.

The Government set up an expert committee, which in the light of the altered age population pattern is to analyze the anticipated development in the demand for welfare services and benefits until 2020, the social balance in the welfare services and benefits and the prospective of financing the services. Moreover, the committee is to present proposals for reforms that can increase job supply and employment as well as reforms that ensure socially balanced and goal-oriented actions in respect of the weakest groups. The committee must conclude its work by the end of 2005.

The expenditure on the Danish health sector continued to increase during recent years. From 1992 to 2002, the expenditure increased by well over 30 per cent, and from 2000 to 2002, the expenditure increased by about 4 per cent annually. The increased resource allocation resulted in a considerable decrease in the waiting periods for various kinds of operations at the hospitals since the summer of 2002 by about 20 per cent. With a view to increased efforts, about DKK 1.1 billion were earmarked in 2004 for the strengthening of hospitals by way of a general level improvement, which are to cover the extra expenses for cancer medication and increased activities in general.

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The activities concerning children and young people at risk have also been on focus during recent years. As part of the efforts to break down any negative social inheritance, Central Government has, together with a number of other parties, entered into an agreement concerning a placement reform. The central elements of the reform are early and more goal-oriented efforts concerning children at risk, better case administration within the area, enhanced involvement of children at risk and their families, enhancement of children's legal security, increased follow-up on placements, more control with local authorities and more focus on the schooling of children in placement. The reform is anticipated to enter into force on 1 January 2006.

The number of enrolled children between six months and nine years has increased by about 45 per cent from 1993 to 2003. As a result of this substantial improvement, the coverage of day-care offers to children has increased for all age groups. At the same time, the number of children on waiting lists to a day-care offer was reduced, and the number of municipalities with a care guarantee also continued to increase. As part of the effort to break down the negative social inheritance, compulsory teaching schemes have been introduced as from 1 August 2004 in all day-care centres with a view to ensuring that all children, including those from jeopardized environments, will be well resourced both socially and linguistically.

As from 1 July 2004, it will be possible for everyone, who is entitled to old-age pension, to choose to postpone retiring and to participate actively in the labour market against later to have the current old-age pension increased by a supplement for postponed pensioning. During the postponement period, entitlement is earned to have the later old-age pension increased by a percentage (postponement percentage), which is increased the longer the pensioning off is postponed.

In order to improve conditions of old-age pensioners with low incomes in addition to their pension, a supplementary pension amount to pensioners of up to DKK 5 100 annually before tax was permanently introduced as from 2004. In relation to the non-recurrent benefit (the pensioners' cheque) in 2003, a number of improvements were implemented that i.a. have resulted in a larger number of recipients.

Activities concerning jeopardized groups have been considerably enhanced during the past decade and will be further enhanced in years to come - that being one of the Government's prioritised areas. In 2003, guaranteed treatment of drug abusers was introduced. As from 2004, more funds have been earmarked for treatment of alcoholics towards an enhancement of the treatment capacity with a view to ensuring guaranteed treatment in the long

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run. Besides, the social efforts in relation to alcoholics undergoing treatment and their families will be improved.

As to the disabled, an extraordinarily almost DKK 550 million have been earmarked from 2004 to 2006 to ensure more and better housing units to people with disabilities.

FINLAND: The growth of the economy in Finland has been slow in recent years. In 2002 and 2003, the growth remained at approximately 2 per cent. In 2004, growth is expected to be somewhat higher. The slow economic development has slowed down the growth of the revenue of the public sector and increased pressure on the expenditure. In 2003, the surplus of the public finances decreased by 2 per cent in relation to the total production. The surplus of the public finances is largely due to the employment pension funds. Moreover, taxation was reduced considerably in 2003.

The economic growth being slow, the demand for labour decreased by 7 000 people in 2003. The unemployment rate decreased slightly, to 9 per cent. The demand for labour is estimated to increase somewhat in the future, and the employment rate is estimated to increase to 67.5 per cent and the unemployment rate to decrease to 8.8 per cent in 2004. The regional differences in employment are great, and the unemployment rate is to a large extent structural. The number of people in atypical employment (part-time, temporary or fixed-term employment) has increased.

The increase in income differences among households, which began in the mid-1990s, stopped in 2001, and in 2002, the income differences remained almost unchanged. The relative poverty rate increased slightly but remained low in international comparison. The growth of poverty was most notable among single parents.

The total development of the social expenditure has been moderate despite the increased demand for pensions and social and health-care services as well as the high unemployment rate. In 2003, the social expenditure was approximately 26.9 per cent in relation to the gross domestic product, which is still below the average level of the EU countries.

On 1 January 2003, a number of changes were made to the unemployment-benefit system with the purpose of developing the employees' possibilities of continuing at work as well as to stimulate employment:

- The provisions regulating the unemployment benefit were compiled in a single act.
- Eligibility for the income-related unemployment benefit was facilitated. The rules governing entitlement to a new unemployment benefit period

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were changed to the effect that the minimum employment requirement was shortened from the previous ten months to eight months.

- Persons born in 1950 or after are eligible for unemployment benefits until the age of 65 instead of the previous age of 60. At the same time, the unemployment pension will be gradually abolished until 2007.
- It will be easier for self-employed people to move from one unemployment fund to another as the basis for calculation of their time in employment, etc., has been simplified.

In the autumn of 2002, a broad reform concerning the development of the pensions of the private sector was adopted. The main part of the pension reform will enter into force at the beginning of 2005. The main aims of the pension solution are to secure the viability of the employment pensions as people live longer, to postpone retirement by 2-3 years and to secure the availability of labour. Through the reform, the different early retirement pension alternatives are limited as the right to anticipatory/disability pension is no longer awarded to persons born after 1943, the age limit for partial retirement pension is raised, and the rules governing the award of pension are tightened.

The age limit for old-age pension is made more flexible. In future, it is possible to retire between the ages of 62 and 68 years. Included in the pension agreement are also a reform of the unemployment pension and the development of employment-pension rehabilitation as well as the accrual of pension during periods of childcare and study.

In relation to the new pension system, steps have also been taken to prepare for the prolongation of people's life span by introducing a so-called lifetime coefficient, by which new pensions will be revised for the first time in 2010. Similar reforms of the pensions of the public sector are under preparation.

The conciliation of work and family life became easier from the beginning of 2003 when paternity leave was extended by 12 weekdays provided the father takes at least 12 weekdays of parental leave at the end of the parental leave period and the extended paternity leave is taken immediately thereafter. In this way, fathers will get a total leave period of 24 weekdays. Paternity leave is less popular than estimated.

From the beginning of 2003, the minimum amount of sickness benefits, rehabilitation and maternity, paternity and parental allowances was raised from EUR 10.09 to 11.45 per day. At the beginning of 2004, the child allowance was increased. The child allowance for the first child in each family was increased by EUR 10 per month and the supplement that single parents

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receive for each child was raised by EUR 3 per month. The last time the child allowance was regulated was in 1995.

Since December 2002, the municipalities have been obliged to provide dental care to all the residents of the municipality. At the same time, the national health insurance compensation was extended to include compensation for dental care for the entire population. Previously, subsidized dental care was provided only to the younger generation.

In order to promote the cost effectiveness of medical treatment, pharmacies have, since April 2003, been required to exchange a medicinal product for a less expensive exchangeable product (generic substitution). As a result of these changes, the expenditure on pharmaceuticals decreased by EUR 63 million and the increase in the reimbursement of medicinal expenses was reduced significantly.

Since 1 January 2004, the municipalities have been entitled to provide their clients with service vouchers for the purchase of home services/home help within the social service sector. Service vouchers are a new way of offering social services in addition to the municipalities' own services and the services they purchase from outside providers.

In 2002, a national project to develop the health-care sector was launched. The aim is, among other things, to ensure, from 2005 onwards, that a patient's need of treatment is accessed by a professional in the primary health care, usually a physician, within three days of contacting the health care unit. This does not, however, apply to injuries.

Access to outpatient assessment in specialised medical care should be arranged within three weeks, and access to medically justified treatment should normally be provided within three months or in no more than six months. If the municipality or joint municipal board cannot arrange treatment in due time, they must purchase the treatment from other service providers without any increase in the client charge.

The national development project for the social services for 2003–2007 was set up in order to develop the availability and secure the quality of social services, to reform operations as well as to develop the availability and expertise of staff and the working conditions in social welfare.

A new Target and Action Plan for Social Welfare and Health Care for 2004–2007 was issued in 2003. The programme lays special emphasis on the development of integrated and inter-administrative cooperation within the social and the health-care sectors, on reinforcing participation of clients and patients, and on promoting local and regional welfare policy. During the period of the previous target and action plan, quality recommendations

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were prepared for services to the elderly, housing services for people with disabilities and assistance to mentally disabled people and technical aids.

The national Veto programme is being implemented in 2003–2007 in order to promote the attractiveness of working life as well as the working and functional capacity of the population. The programme aims at securing full participation in working life for the citizens and at promoting the extension of working life and the reinforcement of the attractiveness of work as an alternative to other situations.

ICELAND: The economic development has been very favourable during the second half of the 1990s. The economic growth continued into 2000 with a slight recession in 2002. In 2003, economic growth again reached 4 per cent and is anticipated to continue at this level for the next two to three years.

According to the Icelandic National Bank, inflation was 2.3 per cent in all of 2003, and a new labour-market agreement indicates that it will remain at this level in the next years. The National Bank aims at keeping inflation down below 2.5 per cent.

The unemployment rate dropped markedly during the second half of the 1990s and was down to 1.4 per cent in 2001. In 2002, it was 2.3 per cent, and at the end of 2003, it had increased to 4.1 per cent. There was a slight decline in the first quarter of 2004, and the unemployment percentage is anticipated to be between 3 and 3.5 per cent in all of 2004.

In 2003, a plan was framed for the care sector and services to the elderly. The plan runs until 2015 and covers i.a. the following areas: equal opportunities, preventive work and elderly people's health, home help to the elderly, financial and labour-market issues, housing issues, administration and organization of issues concerning the elderly as well as studies of the elderly's situation and planning for the future.

The Government has decided to enhance the psychiatric treatment of children and youths. The number of places in the psychiatric wards for children at the University Hospital in Reykjavik is increasing, and the support to children and youths with mental problems, who live at home, is increased. These measures are made to decrease the need for any future psychiatric treatment. The Ministry of Health and Social Security has employed a psychiatric coordinator to manage and enhance activities aimed at the mentally ill.

The Ministry of Health and Social Security has set up a committee to look into and present proposals as to which tasks within the public health services may be transferred from Central Government to the local authori-

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ties. At present, Central Government is responsible for most of the fields within the public health services. The idea is above all to shift the responsibility for the primary health services and the elderly to the municipalities.

At the beginning of 2004, the Government adopted a plan for a further extension of the information society, which runs from 2004 to 2007. The plan covers not only a national health-care network and electronic patients' case records but also the introduction of a possibility for the public to have electronic contact with the public health services and the central insurance schemes and funds.

The development in the expenditure on the public health services has been the topic of discussion for some time. According to data from the OECD, Iceland takes a 4th – 7th place among the OECD countries.

The National Auditors have implemented a survey of the pharmaceuticals market in Iceland, which reveals that the expenditure on pharmaceuticals in 2003 was on average 46 per cent higher in Iceland than in Denmark and Norway. Besides, the generic pharmaceutical products are sold to a much higher degree in those markets than in Iceland, where the expensive original pharmaceutical brands dominate.

NORWAY: Since the summer of 2003, the Norwegian economy has seen a recovery. As to the last three quarters of 2003, the growth was seasonally adjusted for the GDP of 3.6 per cent for mainland Norway (i.e. without the inclusion of the oil economy and foreign shipping trade). The most important motive forces have been a strong stimulation of the monetary policy and a limited international revival.

On average, the labour force was in 2003 2 375 000 people, which was by and large the same as in 2002. As the number of people of working age increased at the same time, it resulted in the average participation rate decreasing in 2003 for the first time since 1993 in relation to the year before. The labour force was reduced from 73.5 per cent in 2002 to 72.9 per cent in 2003. Apparently, part of the employment seekers have withdrawn from the labour force as a result of the labour market having been difficult for some time with an ever increasing unemployment rate. In 2003, there was an average of 107 000 unemployed people, which is 14 000 more than the previous year. That means that the unemployment rate increased from 3.9 per cent in 2002 to 4.5 per cent in 2003. The labour market has, since the autumn of 2003, shown signs of improvement. After five years of a gradually increasing unemployment rate, it appears that the situation has now changed.

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In the spring of 2001, the Government entered into a four-years' intention agreement with the labour-market parties to the effect that more people participate in working life.

The intention agreement was evaluated after the second quarter of 2003. The evaluation revealed that the absence due to illness continues to increase, and that it will take a long time to attain the operational objectives of the agreement. Nevertheless, the parties acknowledge that the principle of anchoring work with an involving working life in the individual work place is the right way to go, and they agreed that the intention agreement comprises a number of positive elements that will produce results over time. The Government and the labour-market parties therefore agreed to continue the agreement until the end of 2005.

The figures also indicate that it has until now not been possible to include more people with reduced capabilities into the working life, just as it has not been possible to increase the pensionable age.

The accumulation time for entitlement to sickness benefits has increased from two to four weeks as from 1 January 2004.

With effect from 1 January 2004, rehabilitation benefits shall not be payable for more than a coherent period of 52 weeks. For people with very serious illnesses or major injuries, such as traffic injuries, where medical treatment takes longer, exceptions may be made as to the limited reception period.

As from 1 January 2004, it was laid down by law that the social security offices must evaluate the need for occupational rehabilitation as early as possible during the absence due to illness and no later than by the end of the sickness-benefit period. If the person in question is not ready for active work at the end of the sickness benefit period and consequently is awarded rehabilitation benefit, the need for occupational rehabilitation must be assessed when the rehabilitation-benefit period has lasted six months.

A fixed-duration rehabilitation benefit was introduced on 1 January 2004. The conditions are the same as for permanent anticipatory pension. If there are some possibilities that a recipient will be able to return to work, a fixed-duration benefit will be awarded. The fixed-duration benefit may be granted for a period of one to four years. The benefit is calculated in the same way as is the rehabilitation benefit. The full benefit amounts to 66 per cent of the income basis, where the calculation basis will be the pensionable income earned the year before the working capacity was reduced, or the average of the income from the previous three years, if that amount is higher. The minimum annual benefit is 1.8 times the basic amount of the social security scheme (from 1 May 2003 to 1 May 2004 the basic amount is NOK 56 861).

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The Pension Commission's proposal for a future pension system was presented in January 2004. In the autumn of 2004, the Government will present a proposal to the Parliament, who is to adopt the main principles of a pension reform. The reform is not expected to enter into force before 2010.

With effect from 1 January 2003, several changes were made to the rules governing unemployment benefits. The minimum-income requirement for being entitled to unemployment benefits was increased from 1.25 to 1.50 times the basic amount of the social security scheme. The maximum period, in which benefits will be payable, was reduced from 156 weeks to 104 weeks (from 3 to 2 years), and the qualifying period was extended from three to five days.

For people with an earned income of less than twice the basic amount, i.e. NOK113 712 until 1 May 2004, the maximum period of daily cash benefits will be reduced from 78 weeks to 52 weeks (from 18 months to 1 year).

From 1 January 2004, the age limit for entitlement to schooling as a rehabilitating measure was raised from 22 to 26 years. The background is that young people of normal schooling age usually do not have their general education costs covered by the social security scheme. Besides, a limitation of three years of education/schooling as a rehabilitating measure was introduced. This was done to underline that the aim of the rehabilitation is a proper job and that the rehabilitation must be both necessary and expedient in order to obtain that job.

From 1 January 2004, the responsibility for offers of treatment (institutional treatment and out-patient treatment) to abusers was shifted from the county authorities to Central Government by way of the regional health-care providers. From the same time, treatment became part of the specialized health service (multi-disciplinary specialized treatment of substance drug). The responsibility of local authorities for measures vis-à-vis abusers has not been changed as a result of this reform.

In 2004, a new financing model was introduced for the municipal services to people with reduced capabilities, who have especially resource-demanding needs. The state financing of this area increased considerably at the same time.

As a follow-up on the main objectives in the kindergarten policies, a maximum amount of parental charges per kindergarten place of NOK 2 750 was introduced on 1 May 2004.

In 2001, the Norwegian Parliament adopted new rules governing the fixation of the child allowance (maintenance allowance). The rules entered into force on 1 October 2003. The new rules are based on both parents' responsibility for both care and maintenance of the child, although the parents do not live together. The maintenance allowance is based on the main-

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tenance costs for the child being shared by the parents according to their incomes. In fixing the allowance, the time which the parent obliged to pay maintenance spends with the child is taken into account.

In 2003, the Parliament adopted the government proposal to transfer the county authorities' tasks concerning child and family care to the government authorities. One of the main objectives of the reform is to create national unification, higher quality and better coordination of the offers to children and youths, who are in need of comprehensive measures from the child welfare service. The reform was initiated on 1 January 2004 by the setting up of a new central administrative body with five regional offices.

SWEDEN: The Gross Domestic Product (GDP) is estimated to increase by 2.5 per cent both in 2004 and 2005. That is almost one percentage point higher than in 2003, where growth was 1.6 per cent. The household consumption is anticipated to increase by 2 per cent both in 2004 and 2005, just as in 2003.

The development in the labour market is still anticipated to be weak in 2004. The regular employment rate for people between 20 and 64 years is expected to be 76.8 per cent in 2004 and 76.6 per cent in 2005. This is a decrease both in relation to 2002, where it was 78.1 per cent, and to 2003, where it was 77.6 per cent. As the demand for labour is expected to increase in 2005, the employment rate is also expected to increase. The work supply is by and large expected to be unchanged in 2004 but to increase slightly in 2005. The unemployment rate is calculated to become 5.5 per cent in 2004.

The public consumption increased by 0.8 per cent at constant prices in 2003 and is expected to increase by 1.5 per cent in 2004 to decrease to 1 per cent in 2005. The municipal consumption increased by 0.6 per cent in 2003 at constant prices, which is a decrease in relation to the previous years' steep increase that resulted in a deficit in 2002 in all of the sector of SEK 7 billion. In 2003, the deficit was reduced to SEK 1 billion.

In 2004, local income tax was increased by 0.34 percentage points, which corresponds to a higher income of about SEK 4 billion to the municipalities. The municipal consumption is calculated to increase by 1.2 per cent at constant prices. Municipal activities are calculated to increase by 0.7 per cent in 2005, at the same time as the municipal sector's finances are improved.

Since 2000, the aim has been to obtain a surplus of the public finances of 2 per cent of the GDP. A surplus would result in the ratio of the GDP declining at the same time as there will be a liquidity accumulation in the pension system proper. The public sector's financial accumulation was heavily

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reduced at the beginning of the 1990s as a result of the deep economic crisis. The consolidation programme and the reestablishment of the economy resulted in the large deficit being turned into a surplus, which in 2000 was 5.1 per cent of the GDP. The recession with declining capital gains and an expansive finance policy resulted in the surplus being turned into a minor deficit in 2002. In 2003, the accumulation was turned into a surplus of 0.5 per cent of the GDP as a result of a drop in the interest expenditure. Measured as a ratio of the GDP, taxes and charges were in 2003 50.5 per cent and the total public revenue was 56.1 per cent, while the expenditure was 56.6 per cent of the GDP. In 2004, the accumulation is anticipated to decline by 0.3 per cent of the GDP as a result of the revenue decreasing in relation to the GDP.

On 1 January 2002, a number of changes of the Swedish social insurance scheme entered into force, one of which was the so-called "father month". In practice, this means that both fathers and mothers get two months reserved for child minding (i.e. 60 earmarked days that cannot be transferred to the other parent). The scheme applies to children born on or after 1 January 2002.

Simultaneously, the parental benefit period will be prolonged by 30 days to a total of 480 days. Besides, the level of parental benefits and the temporary parental benefits were increased by one eighth on 1 January 2002. The guaranteed level (the minimum benefit) of parental benefits was increased to SEK 120 per day, and the amount will in future be called basic amount. Apart from the days allocated to take care of a sick child, there are a further 90 days, for which SEK 60 are payable per day. These days were previously called guaranteed days, for which a guaranteed amount was payable. As from the turn of the year 2002/2003, this will be called the lowest level.

A change in the parental obligations results in an expansion of the obligation to provide for children between 18 and 21 years as from 1 January 2002. The obligation shall apply if a child, who has turned 18, attends school, in which case its parents must provide for the child, at long as it is receiving schooling. In future, a discontinuation of the studies will not result in the parents' obligations to end forever.

Similar changes are implemented i.a. for the entitlement to prolonged maintenance allowance, where the contribution in future may be payable until and including the month of June of the year, in which the child turns 20.

As to old-age pensioners, who are born in 1937 or earlier, a sensitivity indexation of the supplementary pension was introduced. This means that the supplementary pension will be calculated in relation to the income development of society and no longer be based on the price development. The income-basis

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amount was in 2002 SEK 38 800. It is used in the calculation of the highest pensionable income, which in 2002 was SEK 291 000 (7.5 x SEK 38 000).

The increased price-basis amount, which is used in the calculation of pension points, was in 2002 SEK 37 700, and the price-basis amount, which is used in the calculation of the so-called pension amounts was in 2002 SEK 37 900.

The level of the maximum housing supplement to pensioners was on 1 January 2002 increased from 90 to 91 per cent of the housing costs, but only for the part not exceeding SEK 4 500 per month. The maximum housing supplement payable is SEK 4 095 per month. The age limit that applies to when a child living at home should be considered self-supporting and thus obliged to defray its own housing costs, is increased from 18 to 20 years. In the calculation of housing supplement to pensioners, the share of the housing costs of any children living at home must be included, provided that the child has not yet turned 20 and that it is not self-supporting.

Since 1 January 2001, the Swedish Social Insurance Act has been divided into two parts: one part based on residence and another based on work. As to the residence-based insurance, it applies that a person must have been resident in Sweden in order to receive the residence-based benefits. As to the work-based insurance, it applies that a person must work in Sweden in order to receive the work-based benefits. As from 1 January 2001, it applies that parental benefits according to the lowest and the basic levels are calculated as a residence-based benefit, and benefits above the lowest level of parental benefits are work-based benefits.

At the turn of the year 2002/2003, a reform of the anticipatory pension system was implemented. The concept of anticipatory pension and sickness benefits was replaced by the concept activity allowance for people of the ages 19 to 29 years, and sickness benefits /fixed-duration compensation in case of illness for people aged 30-64 years. The reform was a result of changes in the old-age pension system and the fact that the old-age pension and the Labour Market Supplementary Pension Scheme were abolished. At the same time, also the special taxation rules by way of a special basic allowance for pensioners were abolished, which results in the new benefits being taxed in the same way as all other income. All benefits should therefore be recalculated simultaneously in order for the net benefit to be maintained.

On 1 July 2003, a third week with sick pay was introduced. That means that employers must now pay three weeks of sick pay against previously two weeks.

Chapter 2

Method

The present report employs the structure and definitions used in the ESSPROS¹ nomenclature. The overall definition in *Social Protection in the Nordic Countries* was, however, previously almost identical to that used by EUROSTAT.

EUROSTAT uses the following order: Illness; Disabled People; Old Age; Survivors; Families and Children; Unemployment; Housing Benefits; and Other Social Benefits.

For the sake of continuity, NOSOSCO decided to keep the original order in its description of the social protection systems, which is as follows: Families and Children; Unemployment; Illness; Old Age, Disability and Survivors; Housing Benefits and Other Social Benefits. Old Age, Disability and Survivors are described in one chapter of three sections, as pensions and services provided to these groups are interrelated, both at the regulatory and at the organizational level.

Definitions

Both in the previous issues of *Social Protection in the Nordic Countries* and in the ESSPROS, statistics have been designed primarily to include all public transfer incomes and service measures aimed at insuring citizens in certain specific situations as well as against the consequences of certain types of social events. Also included are schemes that are compulsory for large groups of people as a result of collective or other kinds of agreements.

The statistics concern current running costs. As a rule, investment spending and tax reductions are not taken into account.

¹ ESSPROS = European System of Integrated Social PROtection Statistics.

METHOD

Social Benefits

A social benefit is defined as a benefit that is of real advantage to those receiving it. This means that a recipient does not pay the full market price or the full running costs for services. The fact that the recipient, by being affiliated with an insurance scheme, has paid contributions - and thereby in reality has financed, fully or partly, the benefits that he receives - is of no significance in this context.

A benefit must present a direct value to the citizens. Consequently, subvention to trade and industry, e.g. in the shape of subsidies to housing construction, is not regarded as social benefits.

Registration

Accounts from public authorities and other social administrations are, wherever possible, used in the registration of expenditure and revenue. In some cases, expenditure and financing will, however, have to be presented as calculated amounts. In other cases, the required specification cannot be made on the basis of the national accountancy systems, and consequently the figures will have to be broken down on the basis of estimates.

In cases, where user charges are payable for social services, the expenditure is registered after deduction of such charges. The expenditure on such social services is therefore not the total running costs, but the net amount for the body in charge of the relevant service.

Financing

Incoming funds or contributions to the financing of the social expenditure are made up of means deriving from public authorities, employers and insured individuals or households. The incoming funds are used for current payments in the course of the year, and in some cases also for the establishment of funds to ensure future payments. According to need and rules, such funds also cover current payments.

Yield on funds in the shape of income from interest and property is first and foremost found in relation to pensions. Where transfers are made to funds, and where means from funds have been used towards the financing of the current social expenditure, these will be listed by net amounts in the expenditure statistics.

Benefits from public authorities payable only to their own employees are regarded as benefits payable by an employer. Certain benefits payable by employers to their employees, such as sickness benefits payable for part of a period of illness, are regarded as being financed by an employer, even though such benefits in other connections are regarded as part of an employee's salary.

Charges payable by citizens (user charges) for social services have not been included in the social expenditure tables. Yield on real property is included as part of the financing according to the ESSPROS method of calculation.

Specifications

Specifications of the individual expenditure entries can be found on NOSOSCO's homepage (cf. the colophon).

Administration Costs

The present report lists administration costs as one single entry. In principle, only expenditure on the direct administration of the social expenditure is listed. It is, however, not always possible to separate administration costs from other wage/salary or running costs.

Calculation of Fixed Prices

The consumer price index was used for the conversion into fixed prices.

Typical Cases

To illustrate the compensation payable in connection with various social events, calculations have been made for different types of families and income levels as to the compensation level of a number of benefits. The calculations are based on the earnings of an 'Average Production Worker' (APW), calculated by the OECD, and are used in most of the comparative studies.

METHOD

The following family types and income levels are used:

Single parent with one child:

- I. 50 per cent of an APW
- II. 75 per cent of an APW
- III. 100 per cent of an APW
- IV. 125 per cent of an APW
- V. 150 per cent of an APW.

Single person with no children:

- I. 50 per cent of an APW
- II. 75 per cent of an APW
- III. 100 per cent of an APW
- IV. 125 per cent of an APW
- V. 150 per cent of an APW.

Couple with two children:

- I. 75 per cent and 50 per cent of an APW
- II. 100 per cent and 75 per cent of an APW
- III. 125 per cent and 100 per cent of an APW
- IV. 150 per cent and 125 per cent of an APW

Childless couple:

- I. 75 per cent and 50 per cent of an APW
- II. 100 per cent and 75 per cent of an APW
- III. 125 per cent and 100 per cent of an APW
- IV. 150 per cent and 125 per cent of an APW.

In this report, a new typical case has been included concerning people who receive social assistance for: A. A single parent with one child; B. A single childless person; C. Couple with two children and D. Childless couple. In respect of couples, it is assumed that neither of the partners has any income from work, any other income-substituting benefits or pension. Besides, the disposable income in this typical case are calculated after tax and social contributions, payment for day-care institutions and rent, where the rent calculation has been based on the calculation basis for the housing benefit in the other typical cases. Contrary to the other typical cases, the rent proper has been calculated as an expense. Consequently, this typical case differs from the other typical case calculations.

A detailed description of the typical cases and the calculations concerning them can be found on NOSOSCO's home page (cf. the colophon).

Calculation of Income Distribution

In order to illustrate further the significance of social cash benefits to the distribution of income, information on the composition and distribution of disposable incomes for households in the Nordic countries have been included in Chapters 3, 4 and 7, respectively. A household consists of adults and any children living at one and the same address, irrespective of the children's ages. This does not apply to Iceland, however, where children over the age of 15 living at home are calculated as independent households. The calculations have been based on the total amount of households. The quartiles were calculated on the basis of the equivalent disposable income, where the household income was weighted in relation to the size of the household. In this edition the so-called modified OECD scale is used, where a child is defined to be 0-13 years old and adults 14 years+. The first adult counts as one, whereas subsequent adults count as 0.5 and children 0.3, and consequently the scale will be:

$$1 + ((\text{no. of adults}) \times 0.5) + (\text{no. of children} \times 0.3).$$

In the calculation, households have been weighted in relation to their sizes, as for example: A household consisting of four people represents four observations (in addition to the committee's weighting).

The data are based on typical samples of the populations in each of the countries. The income distribution has been calculated on the basis of these population segments. Data have been retrieved in respect of each individual population segment from administrative records and special surveys on incomes, taxes, social benefits and services, family types, etc. In respect of Iceland, only data concerning the disposable incomes for households over and under 65 years, respectively, were included in Chapter 7.

It should be noted that since changes have been made in the calculation basis the results are not quite comparable to previous years.

In Figure 3.2, calculations were based on all households, whereas calculations in Figures 3.3 and 3.4 were based on calculations for single people and couples separately. The quartiles were calculated on the basis of the equivalent disposable income, which means that the income was adjusted according to the number of people living in the various households.

In Figure 3.2, the first quartile consists of the households with the lowest incomes, whereas the households with the highest incomes make up the fourth quartile.

METHOD

In Figures 3.3 and 3.4, the average disposable income was, as mentioned above, calculated for single people and cohabiting couples, respectively, broken down by quartiles converted into PPP-Euro. Besides, the gross income was included and distributed as percentages among the factor income and social benefits, as well as the taxes as percentages of the gross income in 2000. Here the quartiles have been fixed on the basis of the disposable income for single people and cohabiting couples, respectively.

The calculation basis for the tables, figures and spreadsheets, on which the tables and figures concerning distribution of income in the present report were based, can be seen on NOSOSCO's home page (cf. the colophon).

Relative Poverty

This report also includes a table concerning relative poverty for the following family types/households:

1. Single childless people under 65/67 years
2. Single providers
3. Childless couples under 65/67 years
4. Couples with children
5. Single people over 65/67 years
6. Couples where one or both partners are over 65/67 years.

The definition of relative poverty is households who have less than 50 and 60 per cent, respectively, of the median of the equivalent disposable income for all households.

Otherwise, the calculation basis is the same as in the tables concerning income distribution.

The spreadsheets with reference to the tables and figures of this report concerning poverty can be downloaded from the NOSOSCO homepage (cf. the colophon).

Purchasing Power Parities

Purchasing power parities (PPP) are defined as the currency conversion factor corresponding to the purchasing power of the individual currencies. This means that a certain amount, when converted from different currencies by means of PPP factors, will buy the same amount of goods and services in all the countries.

The PPP calculations have partly been used in the comparison of social expenditure, partly in the comparison of compensation levels in connection with various social events.

The PPP calculations in the present report are in PPP-Euro. Preliminary 2002 estimates were used. The estimates for the individual countries are as follows: Denmark 9.71; Finland 1.23; Iceland 112.47; Norway 10.87 and Sweden 10.75. In the calculations in the tables concerning income distribution, which are based on data from 2001, the following estimates for 2001 were used: Denmark 9.40; Finland 1.19; Iceland 105.59; Norway 10.70 and Sweden 10.46.

Ways of Comparing the Nordic Countries with Other Countries

Comparing the Nordic countries with the EU Member States presents some difficulties, but can be done when it comes to the data on social expenditure gathered by EUROSTAT, the statistics office of the EU.

When comparing the social expenditure in the Nordic countries with that of other EU Member States, one must bear in mind that social cash benefits are subject to tax in the Nordic countries, whereas part of these benefits are exempt from tax in the other EU countries. Furthermore, there is tax relief in several countries (tax reductions) for families with children, but these amounts are not included as social expenditure. The OECD and EUROSTAT are in the process of developing models for the calculation of the net social expenditure (after tax), cf. Figure 10.2.

It should be mentioned that the OECD calculations of expenditure on the health care sector (the social services in connection with illness), differ considerably from the calculations in the ESSPROS system and in the present report. While efforts are made in the ESSPROS to obtain as exact data as possible on the expenditure on social services to the elderly and the disabled, the majority thereof in the OECD statements in *A System of Health Accounts* are included as health expenditure. Besides, the expenditure in the ESSPROS is based on net calculations, while the OECD statements are based on gross expenditure (i.e. including investments, user payment, etc.).

The introductions to the various chapters contain tables of the social expenditure in the respective fields, seen in relation to the overall social expenditure.

METHOD

Other Factors

As from 2002, Norway uses the national accounts as basis for the calculations of the social expenditure. This implies that the social expenditure from 2001 and earlier is not completely comparable with the figures from 2002.

By means of the new calculation method, it is now possible to a higher degree to follow the ESSPROS classification, but at the same time there has been two organizational changes in Norway, which have also contributed to a break in the time series. One change is that a new chart of accounts was introduced for counties and municipalities as from 2001 (with the expenditure in 2001 being converted to the old chart of accounts). In the new chart of accounts, it is not possible to break administration costs and interest down by functions. The other reform was that Central Government in 2002 assumed responsibility for the specialized medical treatment, including the hospitals and they must now follow the Accounting Act.

A very important change is that Norway has not previously followed the general rules laying down that the expenditure must be net expenditure and has thus included citizens' user charges for children, the elderly and the disabled and illness. Consequently, the expenditure on social services has been overestimated.

There have also been considerable changes in the calculation of the expenditure on administration. Ultimately, the alterations have resulted in a different breakdown of the expenditure on old age, disabled people and survivors, just as some of the expenditure on *Other Social Benefits* can no longer be specified.

Chapter 3

Population and Income Distribution

Table 3.1 Total fertility rate in the EU, Iceland and Norway, 2002

| | | | | | |
|---------|-------------------|---------|-------------------|-----------------|-------------------|
| Denmark | 1.73 | Austria | 1.37 ^e | Italy | 1.26 [*] |
| Finland | 1.72 | Belgium | 1.64 ^e | Luxembourg | 1.63 |
| Iceland | 1.93 ^p | France | 1.88 ^p | The Netherlands | 1.73 ^p |
| Norway | 1.75 | Germany | 1.40 [*] | Portugal | 1.42 ^p |
| Sweden | 1.65 | Greece | 1.25 [*] | Spain | 1.25 [*] |
| | | Ireland | 2.01 ^p | United Kingdom | 1.64 [*] |

^p Preliminary data.

^e EUROSTAT's estimate.

^{*} National estimate.

Source: EUROSTAT Statistics in Focus, Theme 3 - 20/2003.

Population

The demographic composition of the populations in the Nordic countries varies somewhat from one country to another, which is significant both in relation to the need for minding facilities for infants, activities for young children and adolescents, the number of unemployed people and their age groups, the number of old-age pensioners, as well as the need for care and nursing of the oldest age groups.

While the birth rate remained stable during the 1990s in Denmark, Iceland and Norway, the number of births in both Finland and Sweden decreased.

In relation to the period 1981-1990, the number of births in Denmark and Norway increased during the past 10 years, resulting in an increased need for child minding in those countries.

POPULATION AND INCOME DISTRIBUTION

At the same time, the number of people in the oldest age groups increased and consequently also the need for care and nursing. There are, however, marked differences in the various countries and between the two sexes. In all the countries, there are more women than men in the oldest age groups, which naturally results in many women living alone during their last years.

Of the Nordic countries, Sweden has the oldest population and Iceland the youngest. In relation to the rest of Europe, the average figures for the EU countries show a marked population decrease in respect of the youngest age groups, and the trend towards there being more people in the oldest age groups, in particular as far as women are concerned, is also found in the EU countries as a whole. This development can be explained by the markedly low birth rates, especially in the Southern European countries.

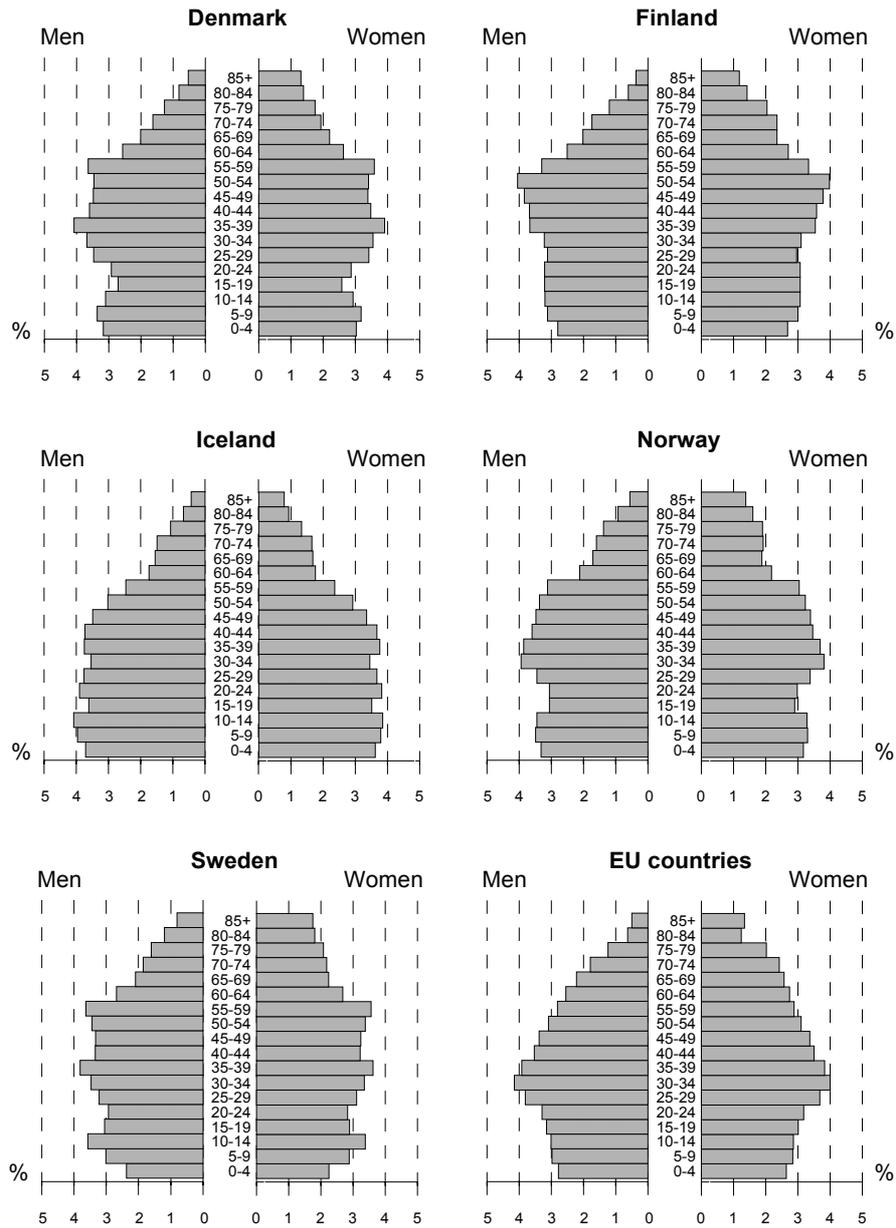
POPULATION AND INCOME DISTRIBUTION

Table 3.2 Mean population by sex and age, 2002

| | Denmark | | Finland | | Iceland | | Norway | | Sweden | |
|----------------------|---------|----------|---------|----------|---------|----------|--------|----------|--------|----------|
| | 1 000 | Per cent | 1 000 | Per cent | 1 000 | Per cent | 1 000 | Per cent | 1 000 | Per cent |
| <i>Men</i> | | | | | | | | | | |
| 0-6 years | 242 | 9 | 208 | 8 | 15 | 11 | 214 | 10 | 309 | 7 |
| 7-17 " | 364 | 14 | 364 | 14 | 25 | 17 | 336 | 15 | 660 | 15 |
| 18-24 " | 213 | 8 | 236 | 9 | 16 | 11 | 194 | 9 | 366 | 8 |
| 25-49 " | 983 | 37 | 911 | 36 | 53 | 37 | 833 | 37 | 1 535 | 35 |
| 50-64 " | 519 | 20 | 513 | 20 | 21 | 14 | 391 | 17 | 872 | 20 |
| 65-79 " | 263 | 10 | 258 | 10 | 12 | 8 | 213 | 9 | 496 | 11 |
| 80- " | 72 | 3 | 51 | 2 | 3 | 2 | 68 | 3 | 179 | 4 |
| Total | 2 657 | 100 | 2 541 | 100 | 144 | 100 | 2 249 | 100 | 4 418 | 100 |
| <i>Women</i> | | | | | | | | | | |
| 0-6 years | 230 | 8 | 199 | 7 | 15 | 10 | 204 | 9 | 293 | 7 |
| 7-17 " | 346 | 13 | 349 | 13 | 24 | 16 | 318 | 14 | 626 | 14 |
| 18-24 " | 208 | 8 | 226 | 8 | 15 | 11 | 187 | 8 | 351 | 8 |
| 25-49 " | 955 | 35 | 881 | 33 | 52 | 36 | 804 | 35 | 1 477 | 33 |
| 50-64 " | 517 | 19 | 520 | 20 | 20 | 14 | 383 | 17 | 860 | 19 |
| 65-79 " | 316 | 12 | 349 | 13 | 13 | 9 | 258 | 11 | 581 | 13 |
| 80- " | 145 | 5 | 135 | 5 | 5 | 3 | 135 | 6 | 319 | 7 |
| Total | 2 717 | 100 | 2 659 | 100 | 144 | 100 | 2 289 | 100 | 4 507 | 100 |
| <i>Men and women</i> | | | | | | | | | | |
| 0-6 years | 473 | 9 | 407 | 8 | 30 | 10 | 418 | 9 | 602 | 7 |
| 7-17 " | 710 | 13 | 713 | 14 | 48 | 17 | 653 | 14 | 1 286 | 14 |
| 18-24 " | 421 | 8 | 462 | 9 | 31 | 11 | 381 | 8 | 717 | 8 |
| 25-49 " | 1 938 | 36 | 1 792 | 34 | 104 | 36 | 1 637 | 36 | 3 013 | 34 |
| 50-64 " | 1 036 | 19 | 1 033 | 20 | 41 | 14 | 774 | 17 | 1 732 | 19 |
| 65-79 " | 580 | 11 | 607 | 12 | 25 | 9 | 471 | 10 | 1 077 | 12 |
| 80- " | 217 | 4 | 186 | 4 | 8 | 3 | 203 | 4 | 498 | 6 |
| Total | 5 374 | 100 | 5 201 | 100 | 288 | 100 | 4 538 | 100 | 8 925 | 100 |

POPULATION AND INCOME DISTRIBUTION

Figure 3.1 Population by sex and age as percentages of the total population, 2002



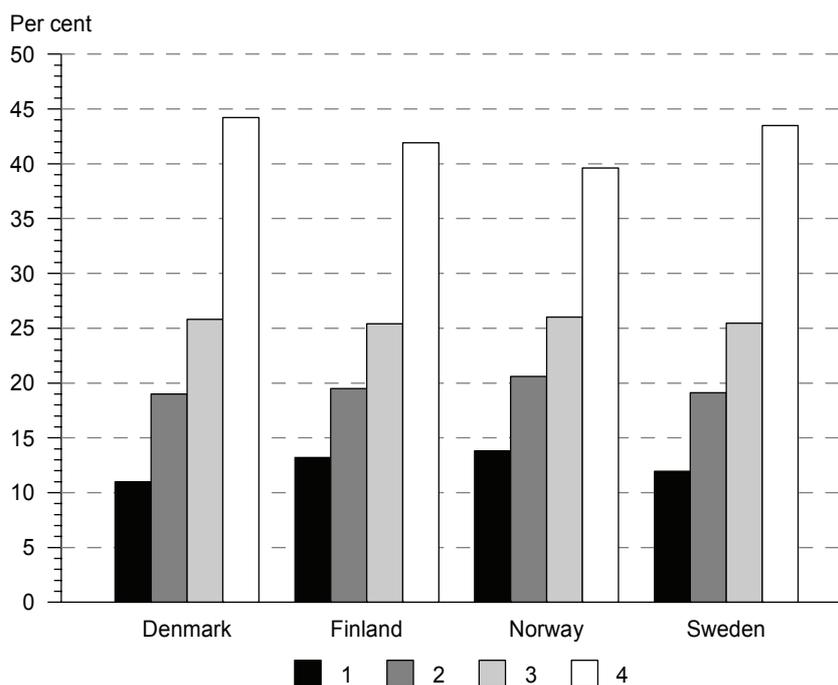
Income Distribution

Several previous studies have shown that the differences in the income levels are relatively smaller in the Nordic countries than in most of the OECD countries. Figure 3.2 shows the distribution of the disposable household income for each country in 2001, broken down by quartiles.

The quartiles have been calculated on the basis of the equivalent disposable income. The first quartile is made up of the households with the lowest incomes, whereas the households with the highest incomes are found in the fourth quartile.

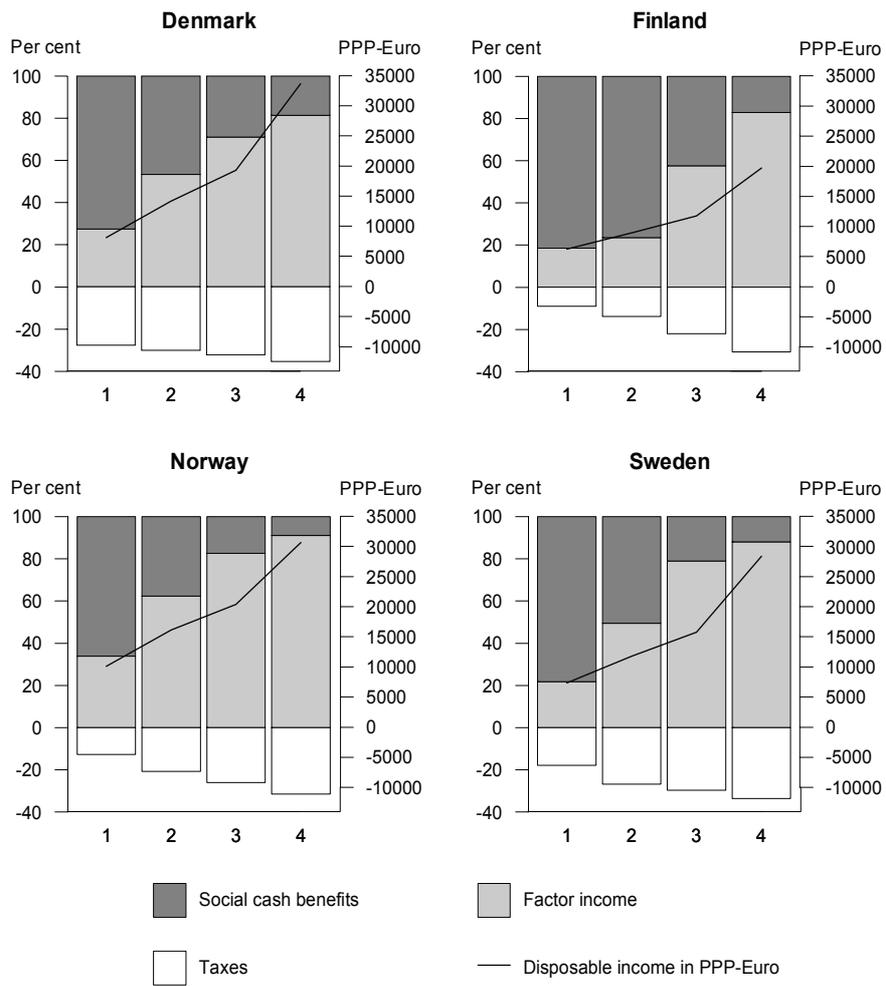
As can be seen from the figure, the distribution of income among the households is relatively homogenous in the Nordic countries.

Figure 3.2 Distribution of household incomes by quartiles, per cent, 2001



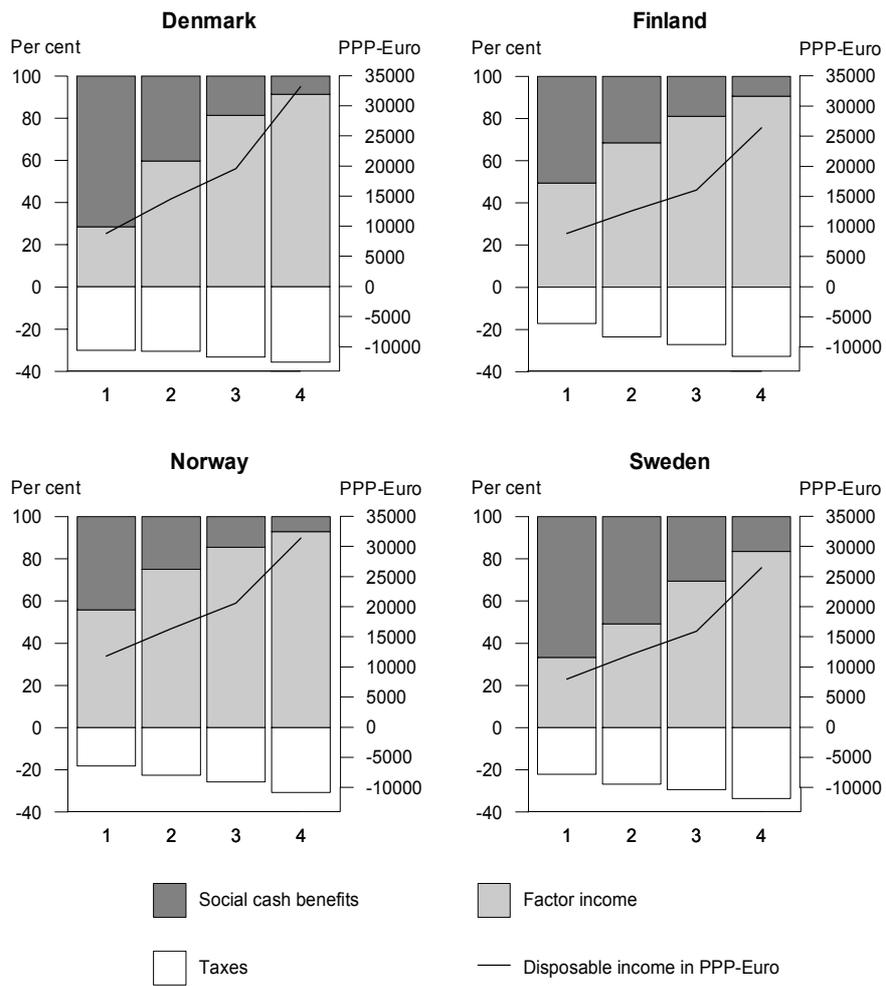
POPULATION AND INCOME DISTRIBUTION

Figure 3.3 Average disposable income in PPP-Euro, distribution in per cent of the gross income on factor incomes, social cash benefits and taxes as percentages of the gross income, broken down by quartiles, 2001; single people



POPULATION AND INCOME DISTRIBUTION

Figure 3.4 Average disposable income in PPP-Euro, distribution in per cent of the gross income on factor incomes, social cash benefits and taxes as percentages of the gross income, broken down by quartiles, 2001; married and cohabiting couples



POPULATION AND INCOME DISTRIBUTION

Figures 3.3 and 3.4 show the average disposable incomes for single people and couples, respectively, broken down by quartiles and converted into PPP-Euro. They also show the gross income distribution in per cent on factor income and social services and benefits, as well as the tax in per cent of the gross income in 2001.

The quartiles were fixed on the basis of the disposable incomes for single and cohabiting people, respectively. As was the case in Figure 3.2, equivalent incomes were used.

The proportion of the social benefits of the gross income is largest for the households with the lowest disposable incomes in all the countries, and smallest for the households with the highest disposable incomes. The social benefits are in other words contributing to the elimination of income differences. In all the countries, social benefits constitute a relatively large part of the gross incomes in the lowest quartile for single people. This does not apply to the same extent for couples with children. In all the countries, social cash benefits constitute a larger part of the gross income for all single people than is the case for all couples with children. This is mainly due to the number of pensioners and other households that are not economically active and who receive transfer incomes, being larger for single people than it is for couples with children.

The tax ratio of the gross income is in all the countries lowest for the households with the lowest disposable incomes and highest for the households with the highest disposable incomes. Consequently, the tax system is contributing to the levelling off of the differences in the income levels.

The tax ratio of the gross income is highest in Denmark and Sweden. In respect of Denmark, this is due to the fact that employers' social contributions play a much less important part in the financing of public benefits than they do in the other Nordic countries (cf. Chapter 10). Differences in the taxation of social benefits in the various countries are also relevant.

A more detailed description of the calculation basis is given on NOSOSCO's home page www.nom-nos.dk.

Relative Poverty

Tables 3.3 and 3.4 show the ratio of the population living in households with an income of less than 50 and 60 per cent, respectively, of the median equivalent disposable income in 2001.

The patterns in the various countries are very homogeneous with the exception of single people over 65/67 years. The relatively large number of

POPULATION AND INCOME DISTRIBUTION

single people with an income of 50 per cent of the median of the disposable income must be due to the fact that this group to a large extent consists of students, while single people under 65 years with an income of less than 60 per cent of the median of the equivalent disposable income typically consists of people receiving transfer incomes, such as anticipatory pension, unemployment benefit, etc., whereas single people over 65/67 years with an income of 60 per cent or less reflect the compensation levels of the lowest pension rates. The relative poverty therefore to a high degree reflects, which benefits the welfare states make disposable to people receiving education or as compensations in case of unemployment and illness, etc.

It should be mentioned, however, that calculations of relative poverty are sensitive in relation to the definitions used. The definitions used here are very similar to those used by EUROSTAT, but there are differences in the results, which are mainly due to differences in the sources. While NOSOSCO use a representative selection of the population, as in the other calculations of income distribution, the EUROSTAT calculations are based on the so-called "household panels", using much smaller population samples.

Table 3.3 Ratio of the total population living in households with an income of less than 50 per cent of the median equivalent disposable income, per cent, 2001

| | Denmark | Finland | Norway | Sweden |
|--|---------|---------|--------|--------|
| Single childless people under 65/67 years | 18.0 | 16.5 | 16.8 | 14.3 |
| Single providers | 5.2 | 7.0 | 6.7 | 5.6 |
| Childless couples under 65/67 years | 2.7 | 2.5 | 1.6 | 1.9 |
| Couples with children | 2.9 | 2.8 | 1.7 | 2.1 |
| Single people over 65/67 years | 4.7 | 8.9 | 12.1 | 8.2 |
| Couples, where one or both partners are over 65/67 years | 1.0 | 1.8 | 0.7 | 1.7 |
| All households | 5.3 | 4.8 | 5.0 | 4.9 |

POPULATION AND INCOME DISTRIBUTION

Table 3.4 Ratio of the total population living in households with an income of less than 60 per cent of the median equivalent disposable income, per cent, 2001

| | Denmark | Finland | Norway | Sweden |
|--|---------|---------|--------|--------|
| Single childless people under 65/67 years | 25.2 | 27.4 | 23.4 | 19.8 |
| Single providers | 11.3 | 17.1 | 15.3 | 12.5 |
| Childless couples under 65/67 years | 4.6 | 5.2 | 2.9 | 2.8 |
| Couples with children | 5.4 | 7.6 | 4.4 | 5.3 |
| Single people over 65/67 years | 16.1 | 32.3 | 41.9 | 23.2 |
| Couples, where one or both partners are over 65/67 years | 5.2 | 7.3 | 7.5 | 4.6 |
| All households | 9.4 | 11.2 | 10.3 | 9.3 |

Chapter 4

Families and Children

While the Nordic countries spend almost identical ratios of the total social expenditure on families and children, the spending patterns differ rather considerably from one EU country to another.

Table 4.1 Expenditure on families and children as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|------|---------|------|-----------------|------|
| Denmark | 12.9 | Austria | 10.3 | Italy | 3.8 |
| Finland | 11.8 | Belgium | 8.4 | Luxembourg | 16.2 |
| Iceland | 12.8 | France | 9.1 | The Netherlands | 4.1 |
| Norway | 12.5 | Germany | 10.0 | Portugal | 5.0 |
| Sweden | 9.4 | Greece | 6.7 | Spain | 2.5 |
| | | Ireland | 11.9 | United Kingdom | 6.5 |

Note: The source is EUROSTAT: Social Protection Expenditure and Receipts. European Union, Iceland and Norway, 2003 Edition.

One characteristic feature of Nordic families is that there are relatively many single parents. In all the countries, the number of single mothers is considerably higher than that of single fathers. The large number of single parents reflects the frequent collapses of the family structure.

The Nordic countries also differ from the other European countries in that women's participation rate is high (cf. Chapter 5). This increases the need for childminding options during parents' working hours.

FAMILIES AND CHILDREN

Table 4.2 Families by family type, 2002

| | Denmark ¹⁾ | Finland | Iceland | Norway ²⁾ | Sweden ³⁾⁴⁾ |
|---|-----------------------|---------|---------|----------------------|------------------------|
| <i>Number of families with children aged 0-17 years (1 000)</i> | 663 | 599 | 44 | 581 | 1 036 |
| Percentage of whom are: | | | | | |
| - Married couples | 63 | 64 | 54 | 60 | }76 |
| - Cohabiting couples | 18 | 17 | 20 | 20 | |
| - Single parents | 19 | 20 | 26 | 20 | 24 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Number of childless families (1 000)</i> | 2 211 | 2 204 | 107 | 1 444 | 3 841 |
| Percentage of whom are: | | | | | |
| - Married couples | 28 | 26 | 23 | 34 | }30 |
| - Cohabiting couples | 8 | 8 | 3 | 6 | |
| - Single people | 64 | 66 | 74 | 60 | 70 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Number of single parents with children (per cent):</i> | | | | | |
| Men | 13 | 12 | 8 | 14 | 21 |
| Women | 87 | 88 | 92 | 86 | 79 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Number of single childless people (per cent):</i> | | | | | |
| Men | 50 | 48 | 55 | 47 | 50 |
| Women | 50 | 52 | 45 | 53 | 50 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Average number of persons per family</i> | 1.9 | 1.8 | 1.9 | 2.2 | 1.8 |

1 Furthermore, there are 16 753 families consisting of children under the age of 18 living outside of their family homes.

2 The 2001 census.

3 Figures taken from committee surveys performed by Statistics Sweden of the economy of the households.

4 Cohabiting couples included as married couples.

The significance of social cash benefits to the disposable incomes of families with and families without children appears from Figure 4.1. The figure shows the distribution of gross incomes on factor incomes and social cash benefits for families and single people, with and without children, respectively. The relative income levels for single people and couples with and without children, respectively, appear from Table 4.3, the average disposable income for all single people and all couples with children having been fixed at 100. In this connection, a family is defined as adults and children living together at one and the same address, irrespective of the children's ages. Families with children are defined as families with children of the age group 0-17 years living at home. Equivalent incomes were used for the comparison.

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As it appears from Table 4.3, the equivalent disposable incomes of childless families are higher than are those of families with children. It can furthermore be seen that the disposable incomes of both single parents and couples with children are lower, the more children there are in a family. This does not, however, apply to cohabiting parents with two children in Finland. In Norway, the income level for childless couples is relatively high in relation to that of couples with children.

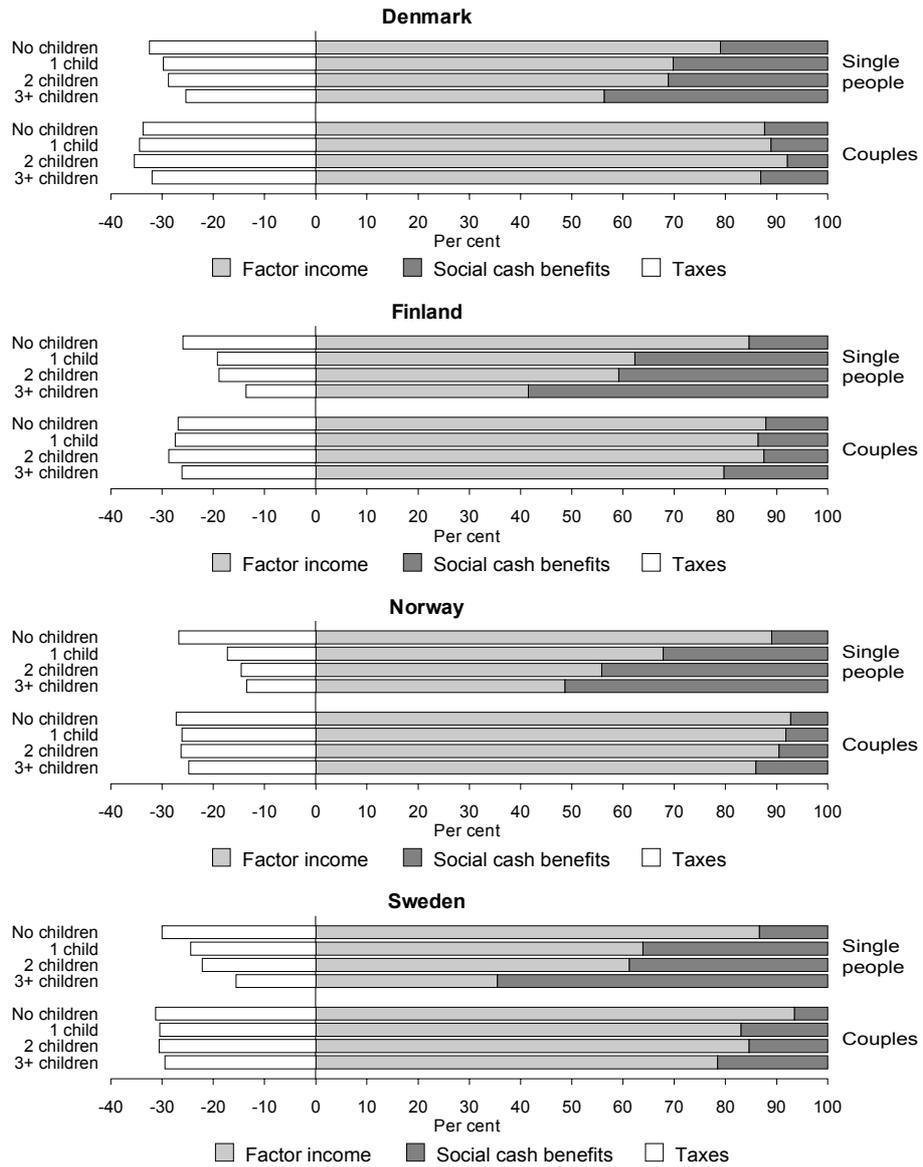
Table 4.3 Index for the disposable incomes of single people and married or cohabiting couples, with and without children, respectively, and the total disposable incomes in PPP-Euro for all in the age group 20-44 years, 2001 (total disposable income = 100)¹⁾

| | Denmark | | Finland | | Norway | | Sweden | |
|---|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| | Single people | Couples |
| <i>Index for the disposable income</i> | | | | | | | | |
| No children | 101 | 106 | 104 | 110 | 104 | 120 | 103 | 114 |
| 1 child | 103 | 103 | 93 | 101 | 101 | 107 | 91 | 101 |
| 2 children | 87 | 97 | 91 | 103 | 90 | 100 | 87 | 97 |
| <i>All singles and married/cohabiting couples</i> | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| <i>Total disposable income in PPP-Euro</i> | 14 820 | 20 757 | 11 721 | 15 190 | 16 106 | 20 329 | 13 152 | 17 494 |

1 The basis for the calculations is the equivalent disposable income. Three or more children have not been included in the index.

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Figure 4.1 Income structure in 2001 for single people and couples aged 20-44 years



From Figure 4.1 it appears that in all the countries social cash benefits represent a considerably larger part of the gross income for single people than is the case for couples. In particular in respect of single people, social cash benefits represent a larger part of the gross income for families with children than is the case for childless families. It is also characteristic that the more children there are in a family, the larger the part of the gross income is represented by social benefits.

For couples with children, social cash benefits play the most important part in Sweden and the least important part in Norway. In all the countries, the social cash benefits constitute a considerable part of the gross income for single providers. It goes for all the countries that social benefits and taxes contribute to reducing the differences in factor incomes between singles and couples, between families with and families without children and between families with one child and families with two or more children.

The differences in the significance of social cash benefits to the individual family types are results of two different factors: firstly, the composition of the social benefits payable to families with children; it is in this connection essential that special benefits are granted to single parents in all the countries (with the exception of Sweden), and that in all the countries (with the exception of Denmark) the benefit amount per child is higher, the more children there are in a family. Secondly, the differences are consequences of differences in for example the extent of unemployment in the various families. This is significant to the differences between single people and couples, as the unemployment rate is generally higher among single people than it is among couples.

Cash Benefits to Families and Children²

Daily Cash Benefits in Connection with Childbirth and Adoption

- Financial support to all families in connection with childbirth and adoption

In all Nordic countries, compensation is granted to cover any loss of income in connection with childbirth during the last few weeks prior to and the first months following childbirth. In all the countries, a similar benefit is payable in connection with adoption.

In all the countries, the benefit payable is based on previous earnings. In Denmark, Finland and Norway, public-sector employees and some private-sector employees receive full pay during all or part of the leave period. Only mothers qualify for the benefit payable prior to childbirth, whereas in all the countries, the benefit payable after childbirth may also be granted to fathers, but according to varying schemes.

In Denmark, one must be affiliated with the labour market in order to receive the benefit, either by being self-employed, a wage earner or a recipient of unemployment or sickness benefits, or one must have, or will have shortly after the confinement, concluded a vocational qualification course for at least 18 months according to specific rules.

In the other Nordic countries, people who are not affiliated with the labour market also qualify for a benefit. In Finland, Iceland and Sweden, however, only a small amount is awarded, and in Norway, the benefit is a non-recurrent payment.

In all five countries, mothers are entitled to compensation for any lack of income if she is forced to terminate her work early in her pregnancy period, due to work that could be harmful to the foetus or in case of a difficult pregnancy. The rules governing such incidents vary somewhat from one country

² Pensions payable to children who have lost one or both parents are described in Chapter 7 together with the other pensions. Special benefits that are granted as supplementary social benefits to families and children are described in Chapter 9.

to another; in some countries, maternity benefits will be payable, in some cases sickness benefits and in other cases a special benefit.

In Denmark, Finland and Sweden, fathers are also entitled to daily cash benefits for a number of days immediately following childbirth, at the same time as mothers receive maternity benefit. In Iceland, nine weeks of the maternity leave is reserved for fathers and can be used at the same time as the mothers' leave. In Norway, four weeks of the birth/adoption period are reserved for fathers. Fathers are also entitled to two weeks of unpaid leave in connection with the birth. In the public sector and in large parts of the private sector there are, however, collective agreements granting compensation for those two weeks.

The period, in which daily cash benefit is payable in connection with birth and adoption is generally relatively long in the Nordic countries. Maternity leave is, however, significantly longer in Sweden than in the other countries.

In Denmark, the maternity leave period was prolonged to one year as from 2002 and has become more flexible. Parents may, for example, divide the last 32 weeks of leave between them and may take turns to go on leave, or they may do it one after the other or at the same time. The 32 weeks may be prolonged by eight or 14 weeks, but the total amount of daily cash benefit will not be changed. One of the parents may furthermore postpone between eight and 13 weeks of the leave period till later and use it before the child turns nine.

The compensation level in connection with childbirth also varies considerably from one country to another. Figure 4.2 shows the disposable income at five different income levels, i.e. for a single childless employed person and for a single mother receiving maternity benefit.

Figure 4.3 shows the disposable income at four different income levels, where the person earning the most receive maternity benefit, stated in per cent of the disposable income, when both parents are gainfully employed.

The calculation was made for a couple with no other children than the newborn and for a couple who already has two children.

As can be seen from Figure 4.2, the compensation is higher than the previous wages of single parents in the lowest income brackets in all the Nordic countries. This is primarily due to the child allowances payable for newborn children, but also to the housing benefit being higher for families with children than it is for childless families. This also applies to couples, cf. Figure 4.3.

In respect of couples with two children besides the newborn, the high compensation level in the lowest income groups (in particular in Sweden) can be attributed to the user charges payable for places in day-care institutions for the other two children being lower when the parent earning the most receives maternity benefit.

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Table 4.4 Rules governing payment of income-substituting cash benefits in the event of childbirth as per December 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|------------------|-----------------------------|---------|-------------------------------------|------------|
| <i>Gainfully employed (employees)</i> | | | | | |
| Maximum number of weeks in which maternity benefit is payable | 50 ¹⁾ | 44 | 35 | 52 ²⁾ | Approx. 69 |
| - Maternity benefit to mothers before birth (weeks)*: | 4 | 5-8 | 4 | 3- 12 | Approx. 9 |
| Maternity benefit (weeks): | | | | | |
| - Only mother | 18 | 18 | 13 | 9 | 8 |
| - Only father | - | - | 9 | 4 | 8 |
| - Either mother or father | 32 ¹⁾ | 26 | 13 | 29/39 | Approx. 52 |
| Additionally: | | | | | |
| - Father together with mother | 2 | 3 | - | 2 ³⁾ | Approx. 2 |
| Benefit taxable? | Yes | Yes | Yes | Yes | Yes |
| <i>Not gainfully employed</i> | | | | | |
| Maximum number of weeks in which maternity benefits are payable | . | 44 | 35 | Non-recurrent Payment ⁴⁾ | Approx. 69 |
| Benefit taxable? | . | Yes | Yes | ⁴⁾ | Yes |
| Leave period sharable with father? | . | Yes, for a max. of 26 weeks | Yes | ⁴⁾ | Yes |

* Note: The number of weeks, in which mothers may receive benefits prior to giving birth, are included in the total number of reimbursable weeks.

1 The common leave period of 32 weeks may be prolonged by eight or 14 weeks to 40 or 46 weeks. The total leave period will consequently be 58 or 64 weeks. When a leave period is prolonged, the daily cash benefit will be reduced accordingly, so that the total amount for the 40 or 46 weeks will be the same as the amount payable for the 32 weeks.

2 42 weeks with a compensation level of 100 per cent or 52 weeks with a compensation level of 80 per cent.

3 Fathers are entitled to two weeks of unpaid leave in connection with childbirth. The two weeks may either be taken just before the child is born or immediately thereafter. Entitlement to two weeks unpaid leave does not apply in the event of adoption. In the public sector and in large parts of the private sector there are, however, collective agreements granting compensation for the two weeks.

4 A tax-free minimum amount corresponding to the non-recurrent payment of NOK 32 138 is guaranteed. Fathers are entitled to a non-recurrent amount if the mother has died and/or he has assumed sole responsibility for the child.

Table 4.5 Amount of income-substituting cash benefits in the event of childbirth as per December 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|-------------------|----------------|-----------------------------|-------------------|--------------|
| <i>Gainfully employed (employees)</i> | | | | | |
| Amount of maternity benefit (per week) in per cent of previous income | 100 ²⁾ | Normally 70 | 80 | 100/80 | 80 |
| Income ceiling per week for full compensation in national currency ¹⁾ | DKK 3 331 | . | . | NOK 6 250 | SEK 5 450 |
| Income ceiling per week for full compensation in PPP-Euro ¹⁾ | 343 | . | . | 575 | 507 |
| Min. amount per week in national currency | . | EUR 60.55 | ISK 13 838 ³⁾ | 4) | SEK 420 |
| Min. amount per week in PPP-Euro | . | 49.22 | 123 | | 39 |
| Max. amount per week in national currency | DKK 3 016 | . | . | 5) | SEK 4 360 |
| Max. amount per week in PPP-Euro | 311 | . | . | | 406 |
| <i>Not gainfully employed</i> | | | | | |
| Amount of maternity benefit (per week), national currency | . | EUR 60.55 | ISK 8 739 | NOK ⁴⁾ | SEK 420 |
| Amount of maternity benefit (per week), PPP-Euro | . | 52 | 75 | | 37 |

1 The income ceiling is the income limit (previous income) in relation to which the maternity benefit is calculated. The calculation of the income ceiling is made according to differing principles in the various countries.

2 When the common leave period of 32 weeks is prolonged to 40 or 46 weeks, the daily cash benefit will be reduced accordingly, so that it corresponds to 80 per cent for the 40 weeks and to about 70 per cent for the 46 weeks.

3 The minimum amount will be payable at an employment rate of 25-49 per cent.

4 There is a guaranteed minimum amount equal to the non-recurrent payment of NOK 32 138 (PPP-Euro 2 956). This amount equals the maternity benefit of NOK 765 (PPP-Euro 70) at 100 per cent compensation for 42 weeks, or NOK 618 (PPP-Euro 57) at 80 per cent compensation for 52 weeks.

5 Calculated as maternity benefits for gainfully employed persons, the maximum amount will be NOK 6 250 (PPP-Euro 575) per week at 100 per cent for 42 weeks, and NOK 5 000 (PPP-Euro 460) at 80 per cent for 52 weeks.

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Figure 4.2 Disposable income for a single parent with a newborn child, 2001

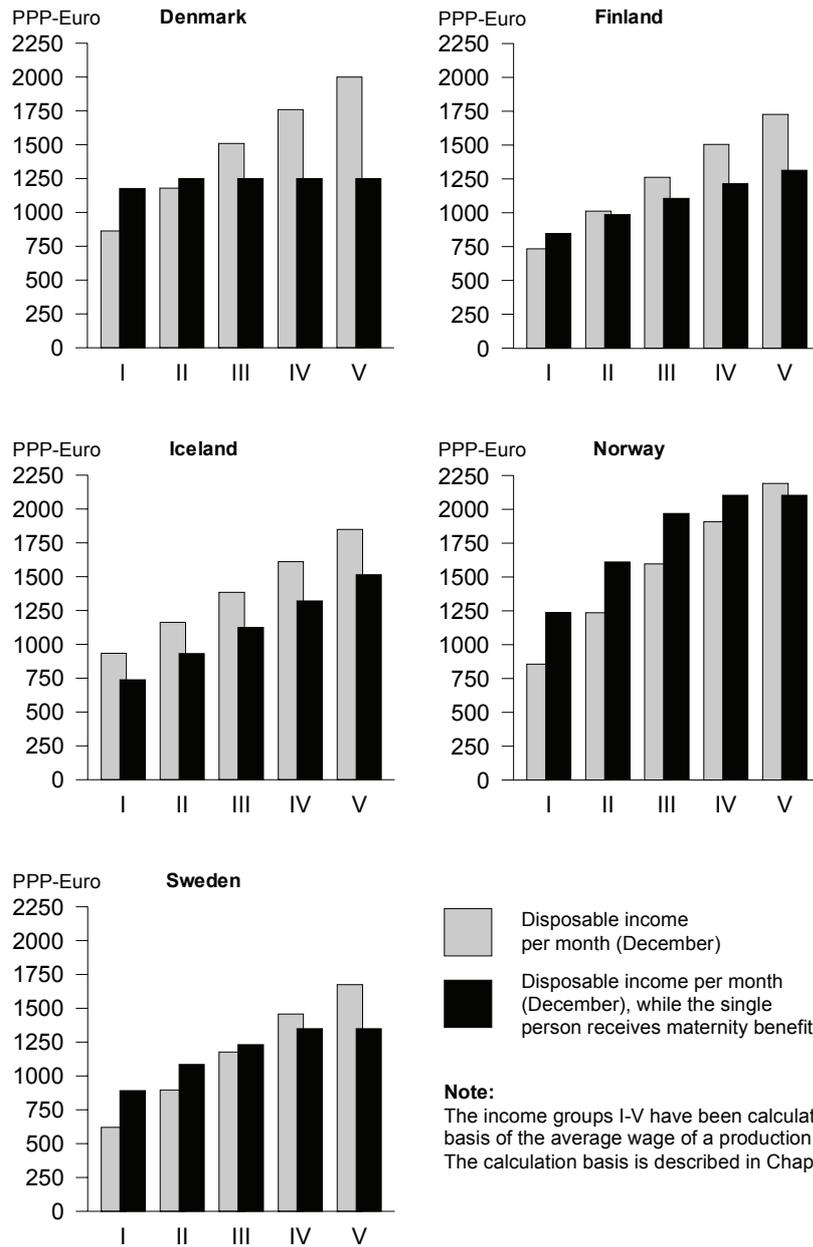
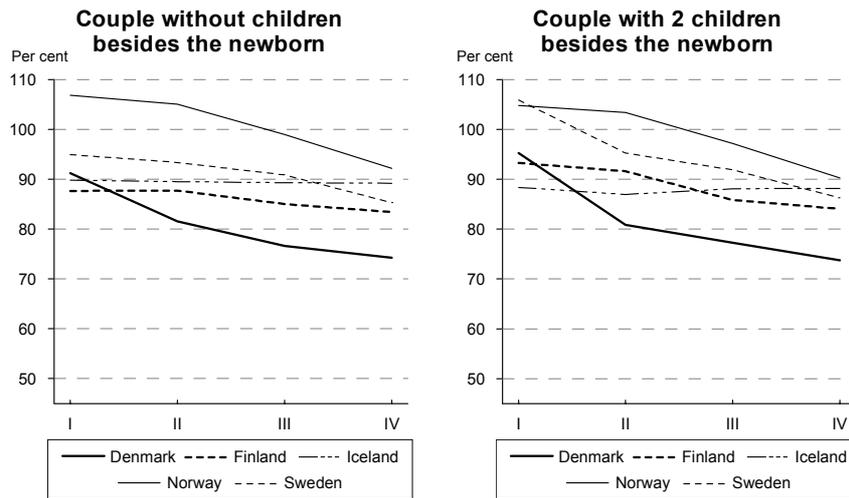


Figure 4.3 Disposable income during receipt of maternity benefit as percentage of disposable income from work, 2001



Note: The income groups I-IV have been calculated on the basis of the average wage of a production worker. The calculation basis is described in Chapter 2.

The compensation levels also depend on the level of the daily cash benefit in relation to the previous income. Daily cash benefits are lowest in Finland and highest in Denmark and Norway, measured in relation to the previous income (cf. Table 4.5). In Finland and Iceland, there is, however, no upper limit to the level of the daily cash benefits. In Finland, the compensation amounts to only 40 per cent for any income exceeding EUR 25 516 per year and only 25 per cent for any income exceeding EUR 39 256 per year. In the other countries the maximum amount is highest in Norway and lowest in Denmark. The compensation level is generally high in Norway, also in respect of the upper income brackets. In Sweden and Finland, the compensation levels are also relatively high for the upper income brackets, whereas the level in Denmark is relatively low for those groups.

It is characteristic that more and more men make use of the leave schemes in connection with childbirth or adoption. However, both the number of recipients and the number of days in which maternity benefit is payable vary considerably from one country to another.

This partly reflects differences in the coverage of the schemes, partly in the duration of the period in which one is entitled to that benefit. As per 1 January 1998, Icelandic fathers obtained an independent entitlement to pa-

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ternity leave for two weeks within the first eight weeks of childbirth. As from 2001, the leave scheme was expanded to entitle fathers, like mothers, to 13 weeks of leave within a three-year period, once the scheme is fully developed. These changes can be seen from the statistics that reveal that there are significantly more men receiving parental benefits. Norway has seen a rise in the number of men receiving daily cash benefits. This is due to both a scheme from 1993 giving men an exclusive right to four weeks of leave with daily cash benefits as well as to a 'time-account' scheme that since 1994 has allowed for flexible use of leave of absence with daily cash benefits. As from 2000, fathers have had an independent accumulation right. Previously, fathers were not entitled to benefits if the mothers had not accumulated such benefits, but now fathers may receive paternity benefits based on their own accumulation. Fathers' entitlement to paternity benefits is still depending on mothers being gainfully employed after childbirth; receiving publicly

Table 4.6 Recipients of daily cash benefits in the event of pregnancy, childbirth and adoption during the year, 1995-2002

| | Denmark | Finland | Iceland ¹⁾ | Norway | Sweden |
|---------------------------------|---------|---------|-----------------------|--------|---------|
| <i>Number of beneficiaries</i> | | | | | |
| <i>Men</i> | | | | | |
| 1995 | 41 003 | 40 267 | 10 | 25 166 | 130 786 |
| 2000 | 45 559 | 42 294 | 1 421 | 33 806 | 166 661 |
| 2001 | 45 372 | 43 590 | 2 840 | 35 096 | 186 177 |
| 2002 | 44 897 | 44 624 | 3 816 | 34 505 | 210 000 |
| <i>Women</i> | | | | | |
| 1995 | 90 335 | 108 429 | 5 066 | 76 088 | 327 846 |
| 2000 | 82 657 | 97 359 | 5 097 | 80 368 | 275 214 |
| 2001 | 81 440 | 96 135 | 5 861 | 79 835 | 280 856 |
| 2002 | 79 481 | 95 277 | 6 266 | 78 703 | 295 000 |
| <i>Number of benefit days</i> | | | | | |
| <i>(1 000)</i> | | | | | |
| 1995 | 14 385 | 16 947 | 688 | 10 699 | 52 212 |
| 2000 | 13 150 | 15 232 | 698 | 11 152 | 37 100 |
| 2001 | 13 314 | 15 193 | 844 | 11 170 | 37 969 |
| 2002 | 14 777 | 14 977 | 924 | 11 005 | 40 000 |
| <i>Of which men, percentage</i> | | | | | |
| 1995 | 4.4 | 3.6 | 0.1 | 5.8 | 10.3 |
| 2000 | 5.5 | 4.1 | 3.3 | 7.2 | 13.7 |
| 2001 | 5.7 | 4.3 | 11.5 | 8.3 | 15.0 |
| 2002 | 5.5 | 4.8 | 19.6 | 8.6 | 16.6 |

1 Until 2000 the right to daily cash benefits during maternity leave did not apply to mothers entitled to full wages from an employer.

acknowledged education; or depending on aid to take care of the child due to illness or injury. The Swedish figures are not comparable with those from the other countries, as the benefit is payable for more days per child than is the case in any of the other countries. Besides, parental daily cash benefits may be payable until a child reaches the age of 8 years. In 2002, 85 per cent of the total amount of days for which parental daily cash benefit was paid concerned children under the age of two years. As to women, about 89 per cent of the days were for children under the age of two, and as to men, about 60 per cent.

Cash Benefits to Parents Minding Children

- Entitlement to leave of absence for child-minding

In Denmark, the rules governing child-minding leave were revoked with effect from 2011 in connection with the extension of the maternity leave to one year in 2002. Parents of children born prior to the introduction of the new maternity leave scheme are still entitled to go on child-minding leave until the child turns 9. Parents are entitled to a minimum of eight and a maximum of 13 weeks of leave, but a minimum of 8 weeks and a maximum of 26 weeks if the child was under one year old. In agreement with one's employer or the public employment service, a leave period may be prolonged to a total of 52 weeks. The leave scheme applies to both wage earners, self-employed and unemployed people. During a parental leave period, a child must not occupy a place in a public day-care facility if it is under the age of three years, and may only be in half-day care if it is between three and eight years old. The benefit payable during leave corresponds to 60 per cent of the maximum amount of the daily cash benefit. Moreover, local authorities are in a position to grant a supplementary benefit of up to DKK 35 000 per year. In 2002, there was an average of just under 17 000 people on child-minding leave, which is somewhat less than in previous years.

In Finland, parents are, after having received parental daily cash benefits for a while, entitled to choose between a place in a municipal day-care institution and an allowance for minding young children. The allowance may be granted either as a supplement towards child minding in the home or as a supplement towards payment for private child minding. The allowance towards child minding in the home is payable if a family has a child under the age of three years. The allowance may consist of a basic amount plus a supplement. The basic amount is EUR 252 per month for a child under three years, and EUR 84 per month per each additional child under three years. For other children of pre-school age, the allowance amounts to EUR 50 per month.

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The supplement (EUR 168) will only be granted for one child and is subject to family income. At the end of 2002, child-minding allowances were being paid for 107 058 children. Allowances payable towards private child minding are described in the section on day-care institutions and family day care.

Parents may also choose to work reduced hours if they have children under the age of three. They will then be awarded a partial minding allowance of EUR 63 per month. At the end of 2002, this allowance was allocated for 1 972 children.

In Iceland, there are no schemes for parental benefits in connection with child minding.

In Norway, there is a so-called time-account scheme. The scheme applies in the event of childbirth or adoption and makes it possible for part of the maternity benefit to be paid in combination with income from work for a period exceeding the standard periods of 42 or 52 weeks. Where 52 weeks of absence from work with 80 per cent pay have been chosen, a minimum of six and a maximum of 39 weeks must be used in combination with reduced working hours. Where 42 weeks with full pay have been chosen, between six and 29 weeks must be used in this way. The period of work may be fixed at 50, 60, 75, 80 or 90 per cent, and the rate of the maternity benefit payable as a supplement to the income will consequently be 50, 40, 25, 20 and 10 per cent, respectively. In 2001, 2.2 per cent of the mothers and 1.2 per cent of the fathers made use of the time account. Three fourths of the women chose leave with a compensation level of 80 per cent. 33 679 fathers received daily cash benefits. Of these, 4 547 fathers received paternity benefits for longer than the four weeks that are reserved for fathers.

In Norway, cash benefits are granted for children between one and three years. The cash benefit amounts to NOK 3 000 per month, is granted per child without being subject to income or need and is tax-free. The Norwegian Parliament fixes the amount of the cash benefit. The condition of receipt of the full amount is that no place is taken up in a state-subsidized kindergarten. A graduated benefit is payable if a child occupies a place part-time in a kindergarten.

In Sweden, parents are entitled to a parental benefit for 69 weeks in connection with childbirth. This period may be divided into several short periods until a child turns eight or has completed its first year at school.

In all the countries, there are also schemes entitling parents to stay at home without pay to take care of their children.

Minding of sick children

In all Nordic countries, parents are to some extent entitled to stay at home to mind a sick child. In Norway and Sweden, this right is governed by law and in the other countries by collective agreements.

In all the countries, parents themselves decide whether the mother or the father shall stay at home to take care of a child. In Sweden, it is also possible for an insured person other than one of the parents to take time off to mind a sick child and to receive the daily cash benefit. In Norway, single providers are entitled to 20 days of absence and couples to 10 days of absence each to mind a sick child.

As to the length of the period in which one is entitled to stay at home to mind a sick child, the scheme is most generous in Sweden, allowing 60 days per year per child, and least so in Denmark and Iceland.

In Denmark, Finland and Iceland, full wage compensation is given, however, in connection with child minding during short-term illness. In Norway, a benefit equivalent to the amount of the sickness benefit is payable, while a compensation corresponding to 80 per cent of the income from work is payable in Sweden.

In all the countries, there are special rules concerning minding of chronically or seriously ill children. Those rules are described in Chapter 7.

Child Allowance

- Allowances payable for all children

In all five countries, an allowance is payable for children. The allowance is tax free and independent of parents' income, with the exception of Iceland where the child allowance is means-tested. In Iceland, a fixed amount is payable irrespective of the income as from 2001, however, as an extra supplement for all children under the age of seven. In Denmark and Norway, the allowance is payable until a child reaches the age of 18; in Finland, until a child reaches the age of 17; and in Iceland and Sweden, until a child reaches the age of 16 years - 20 years, however, if a child is receiving education. In Iceland, child allowance will only be payable the year after a child's birth. In all the countries, child allowances are financed by Central Government.

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Table 4.7 Rules governing child allowance, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|------------------|---------|---------|--------|--------|
| Child allowance means-tested? | No ¹⁾ | No | Yes | No | No |
| Child allowance exempt from tax? | Yes | Yes | Yes | Yes | Yes |
| Same allowance granted for children of all age groups? | No | Yes | No | No | Yes |
| Supplements for any additional children? | No | Yes | Yes | No | Yes |
| Extra child allowance to single parents? | Yes | Yes | Yes | Yes | No |

1 The special child allowance granted where one or both a child's parents receive anticipatory pension or retirement pension is, however, means-tested. The special child allowance granted to children, who are receiving education, is also means-tested.

In Denmark and Iceland, the family allowance is higher for children between the ages of 0 and six years than it is for children over the age of six. In Denmark, the allowance is furthermore higher for the 0-2 year-olds than it is for the 3-6 year-olds.

In Norway, a supplement is payable for children aged 1-3 years, as well as supplements for children living in the Finnmark and in certain municipalities in Troms County.

In all the countries, with the exception of Sweden, a special child allowance is payable to single providers, making the allowance per child higher for single parents than for two-parent families. In Denmark, Finland and Norway, an extra child allowance is payable to single providers. In Norway, an extra infant supplement is payable to single providers who have children between 0 and 3 years and who meet the requirements for entitlement to the increased child allowance according to the Act on Child Welfare and for receiving the full transition allowance according to the Social Security Act. The supplement is awarded per single provider. The extra infant supplement amounts to NOK 7 884 per year.

In Denmark, the ordinary child allowance payable to single providers was reduced as from 2000, at the same time as the maintenance allowance, payable by the parent not living with the child, was increased correspondingly.

In Finland, the child allowance per child will be increased for each child in the family.

In Norway, the multiple-child supplement was abolished with effect from 1 January 2001.

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Table 4.8 Annual amount of child allowance as per December 2002

| | Denmark DKK ¹⁾ | Finland EUR | Iceland ISK ²⁾ | Norway NOK ³⁾ | Sweden SEK ⁴⁾ |
|---|------------------------------|----------------|------------------------------|-----------------------------|-----------------------------|
| <i>Couple with:</i> | | | | | |
| 1 child | 11 300 | 1 080 | 34 474 | 11 664 | 11 400 |
| 2 children | 22 600 | 2 406 | 34 474 | 23 328 | 22 800 |
| 3 children | 33 900 | 3 978 | 34 474 | 34 992 | 37 248 |
| <i>Single parent with:</i> | | | | | |
| 1 child | 19 196 | 1 483 | 177 714 | 23 328 | 11 400 |
| 2 children | 34 412 | 3 212 | 325 982 | 34 992 | 22 800 |
| 3 children | 49 628 | 5 188 | 500 091 | 46 656 | 37 248 |
| Average amount of child allowance per child | 11 571 | 1 302 | 67 816 | 14 150 | 12 092 |
| Average amount of child allowance per child in PPP-Euro | 1 192 | 1 059 | 603 | 1 302 | 1 125 |

1 Calculations were made on the basis of a general family allowance for the 3-6 year-olds of DKK 2 825 per quarter to both single parents and couples. The allowance payable for the 0-2 year-olds amounted to DKK 3 125 per quarter and to DKK 2 225 per quarter for the 7-17 year-olds.

2 In Iceland, the amount of the allowance is subject both to the number of children in a family and to the family income. The maximum allowance to a couple with one child aged 0-16 years is ISK 113 622 and ISK 194 921 to single parents. For each child in addition to the first one, a maximum of ISK 139 304 is payable to cohabiting couples and ISK 199 949 to single parents. Besides, a supplement of ISK 34 474 is payable for children between 1 and 6 years irrespective of income. Where a couple's annual income exceeds ISK 1 354 727 and that of a single parent ISK 677 364, the allowance will be reduced by 4 per cent of the earnings exceeding the maximum amount for one child, 8 per cent for two children and 10 per cent for three or more children. All calculations in the table were made for one child under 7 years and the average annual income for couples with children and for single parents. The average amount is for all children between 1 and 16 years.

3 The average amount includes the infant supplement and the supplement for Northern Norway.

4 The average amount per child was calculated by adding the amounts paid for child allowance, multiple-birth supplement and prolonged period of child allowance in 2002, divided by the number of children receiving child allowance and the number of children with prolonged periods of receiving child allowance in December 2002.

In Sweden, a multiple-birth supplement is granted to families with three or more children.

In Denmark, special child allowances may be granted where one of a child's parents is a pensioner, or where one of the parents has died, or where paternity has not been established. The special child allowance for children of pensioners is means-tested. As from 2001, a new income-related child allowance to children receiving education was introduced. In Iceland, a supplement that is not means-tested is granted by way of maternity or paternity

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wages to widows and widowers and single mothers and families with two or more children. If the parents are old-age or anticipatory pensioners, the child allowance will be paid as a supplement to the pension. The amount is tax free and not means-tested.

Advance on Maintenance Allowance for Children

- The allowance is payable in advance by the public authorities

For children whose parents do not live together, a maintenance allowance will normally be payable by the parent not living with the child. A maintenance allowance for children will be fixed in connection with dissolution of marriage and as part of the legal proceedings in connection with birth of a child out of wedlock. The allowance will be fixed either according to agreement between the parents, by way of a court decision or a decision rendered by the local authorities.

Where the party liable to pay does not comply on time, the public authorities may in all the Nordic countries pay the party entitled to the allowance in advance. The age limit for entitlement to advanced payment of the maintenance allowance is 18 years. In Iceland, Finland and Sweden, the period may be extended to 20 years if a child is receiving education. In Norway, advanced payment of the maintenance allowance shall only be payable, where the party liable to pay does not do comply on time. Besides, the advance is means-tested. Depending on the recipient's income, 100, 75 or 50 per cent of the full amount shall be awarded. Where the recipient's income is 320 times the full amount, no subsidy shall be payable.

Table 4.9 Amounts of maintenance allowance advances in 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| Maximum amount per child per year, KR/EUR | 11 280 | 1 443 | 180 912 | 14 060 | 14 076 |
| Maximum amount per child per year, PPP-Euro | 1 162 | 1 173 | 1 609 | 1 293 | 1 309 |

Table 4.10 Number of children receiving maintenance allowance advances as percentages of the population under 18 years, 1995-2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|------|---------|---------|---------|--------|--------|
| 1995 | 15 | 10 | 17 | 15 | 16 |
| 2000 | 14 | 10 | 19 | 15 | 16 |
| 2001 | 14 | 10 | 19 | 11 | 16 |
| 2002 | 14 | 10 | 19 | 11 | 16 |

Other Benefits

In Norway, tax relief for looking after children supplements the ordinary child allowance. The expenditure on this relief is, however, not included in the social expenditure statistics. The Social Security Scheme may also grant single providers a so-called transition allowance for maintenance, economic support towards child minding, as well as education grants.

In Finland, Iceland, Norway and Sweden, a child pension has been introduced in the shape of a basic pension and a supplementary pension. In Denmark, a special child allowance is payable.

Child pension is payable to children who have lost one or both parents. The child pension is described in detail in Chapter 7.

Services to Families and Children

In the Nordic countries, it has been decided to provide children and families with an extensive service on a daily basis. The responsibility for the operation of such services rests primarily with the local authorities who provide day-care institutions for children and young people, pre-school classes, family day care, child-minding in the homes as well as child and youth welfare schemes.

Children who are physically or mentally disabled will, as far as possible, be integrated in the general care schemes.

In all the countries, families with children may, in exceptional cases, be granted home help. This applies for example where the person taking care of the home and the children is unable to do so due to illness, childbirth or the like.

Families may furthermore be granted assistance in order to avoid that children and young people be placed outside of their homes.

Day-Care Institutions and Family Day Care

- Children are looked after in both public and private institutions

Day-care institutions for pre-school children

Children at pre-school age are received in day-care institutions. In all the countries, there are both full-time and part-time places.

Both in Denmark, Finland and Norway, parents may, according to slightly differing rules, be granted a cash amount for minding their children in their own homes, either part-time or full-time.

In all the countries, local authorities must ensure that there are sufficient places available. In Denmark, 79 per cent of the municipalities provided a child-minding guarantee in 2002 for children aged 0-9 years, whereas another 16 per cent guaranteed child minding for part of that age group. Local authorities have been able to grant financial support to parents who choose private child minding over a public day-care facility. At the end of 2002, a little over 3 956 children were covered by this scheme. In Finland, all children under seven years are entitled to a place in a municipal day-care institution or in family day-care. Parents may also have their children looked after in a private home with municipal subsidies. The local authorities pay the amount direct to the institution/private individual looking after the child/children. By the end of 2002, subsidies were paid for private minding of 14 449 children.

In Sweden, local authorities are obliged to provide a place for all children in a day-care institution (pre-school) within three to four months after their parents having applied for it. This obligation is limited to children whose parents work or study. During 2001 and 2002, amendments were implemented to the effect that local authorities are obliged to offer a place for 15 hours per week to children of unemployed parents or parents who are on maternity leave. In Norway and Iceland, local authorities are not obliged by law to offer a kindergarten place to all children.

Family day care

Municipal family day care exists in all Nordic countries. These schemes mainly cover pre-school children. Municipal child-minders are employed and paid by the local authorities and receive children in their own homes. As is the case with places in day-care institutions, parents pay for having their children minded in family day care. In all the countries, there is also private family day

care that is run without any subsidies from public authorities. Such child-minding options are not included in the Nordic social statistics.

Pre-school classes

In all the countries, there are special classes preparing young children for school. These classes have been established according to somewhat differing rules.

In Denmark, local authorities are obliged to offer children a place in a pre-school class for at least 20 hours per week - an offer that is accepted by 98 per cent of all children. After school hours, children may spend time in either day-care institutions or after-school clubs.

In Finland, the scheme is not compulsory, but about 99 per cent of the children participate in measures preparing them for school.

In Iceland, all 6 year-olds must attend school and are consequently not included in these statistics.

In Norway, children start school at the age of six where they receive education adapted to their age.

In Sweden, local authorities are as from 1998 obliged to offer all 6 year-olds a minimum of 525 hours in the new school structure - pre-school class. In the autumn 2002, 94 per cent of all 6 year-olds attended pre-school classes, whereas 3.1 per cent already had started school proper. All 6 year-olds are entitled to start school if their parents so wish. After school, children from pre-school classes and primary school may stay in the after-school clubs.

Children of school age

In all the countries, there are day-care options for children of school age. Minding may either take place in special youth centres for children of school age or be integrated in the minding of pre-school children in the day-care institutions. In Norway, the responsibility for the development of after-school clubs is placed with the school sector. This also largely applies in Denmark, Iceland and Sweden. The range of offers varies from one municipality to another.

There are different upper age limits for entitlement to places at youth centres/after-school clubs. In Denmark, the age limit is 10 years in some municipalities and 14 years in others. In Finland, there is normally no age limit, but in special cases it may be 10 years. In Iceland, it is 9 years, in Norway 10 years and in Sweden 12 years.

The number of children who are covered by day-care schemes in day-care institutions and family day care varies significantly from one country to an-

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other. Some of the reasons for this are the extent of the unemployment and the fact that children in pre-school classes in Denmark also spend time in day-care institutions after having attended their pre-school classes. The low figures for the 0-2 year-olds in Finland are due to the home-care allowance option. In Sweden, the long maternity-leave period also plays a significant part.

Table 4.11 Children enrolled in day-care institutions and municipal family day care (1 000) by age, 1995-2002

| | Denmark | Finland ¹⁾ | Iceland ²⁾ | Norway ³⁾ | Sweden ⁴⁾ |
|------------------|---------|-----------------------|-----------------------|----------------------|----------------------|
| <i>1995</i> | | | | | |
| 0-2 years | 101 | 34 | 5 | 39 | 123 |
| 3-6 years | 218 | 145 | 12 | 149 | 367 |
| 0-6 years, total | 319 | 179 | 17 | 188 | 490 |
| 7-10 years | 123 | 11 | - | . | 198 |
| <i>2000</i> | | | | | |
| <1 year | 10 | 1 | 0 | 1 | - |
| 1-2 years | 103 | 40 | 5 | 44 | 111 |
| 3-5 years | 192 | 122 | 12 | 144 | 242 |
| 0-5 years total | 306 | 163 | 17 | 189 | 353 |
| 6 years | 65 | 44 | - | . | 81 |
| 0-6 years total | 370 | 207 | 17 | . | 434 |
| 7-10 years | 171 | 8 | - | . | 255 |
| <i>2001</i> | | | | | |
| <1 year | 10 | 1 | 0 | 1 | 0 |
| 1-2 years | 105 | 41 | 6 | 45 | 111 |
| 3-5 years | 191 | 119 | 12 | 146 | 242 |
| 0-5 years total | 307 | 162 | 18 | 192 | 353 |
| 6 years | 63 | 43 | - | . | 81 |
| 0-6 years total | 370 | 204 | 18 | . | 434 |
| 7-10 years | 180 | 7 | - | . | 255 |
| <i>2002</i> | | | | | |
| <1 year | 6 | 1 | 0 | 1 | 0 |
| 1-2 years | 105 | 41 | 6 | 47 | 120 |
| 3-5 years | 191 | 117 | 12 | 149 | 249 |
| 0-5 years total | 302 | 159 | 18 | 198 | 369 |
| 6 years | 62 | 41 | - | . | 81 |
| 0-6 years total | 364 | 200 | 18 | . | 450 |
| 7-10 years | 186 | 7 | - | . | 267 |

1 Figures from and including 1999 include children in publicly subsidised private day care.

2 As from 1995, only children between 0 and 5 years, as the after-school clubs were taken over completely by the school sector in 1995 (no statistics available).

3 As from 1999, only children between 0 and 5 years.

4 As from 1998, a special pre-school class has been introduced for 6 year-olds. These children have not been included in the calculation, unless they also attend a day-care institution.

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Table 4.12 Children enrolled in day-care institutions and municipal family day-care, by age as percentages of the respective age groups, 1995-2002

| | Denmark | Finland ¹⁾ | Iceland ²⁾ | Norway ³⁾ | Sweden ⁴⁾ |
|------------------|---------|-----------------------|-----------------------|----------------------|----------------------|
| <i>1995</i> | | | | | |
| 0-2 years | 48 | 18 | 37 | 22 | 37 |
| 3-6 years | 83 | 55 | 64 | 61 | 74 |
| 0-6 years, total | 68 | 39 | 53 | 44 | 59 |
| 7-10 years | 53 | 5 | - | . | 45 |
| <i>2000</i> | | | | | |
| <1 year | 15 | 2 | 7 | 2 | . |
| 1-2 years | 77 | 35 | 59 | 37 | 60 |
| 3-5 years | 92 | 67 | 92 | 78 | 86 |
| 0-5 years total | 75 | 46 | 68 | 52 | 66 |
| 6 years | 90 | 67 | - | . | 77 |
| 0-6 years total | 77 | 49 | 58 | . | 68 |
| 7-10 years | 63 | 3 | . | . | 51 |
| <i>2001</i> | | | | | |
| <1 year | 15 | 2 | 10 | 2 | 0 |
| 1-2 years | 78 | 36 | 66 | 38 | 61 |
| 3-5 years | 94 | 67 | 93 | 80 | 87 |
| 0-5 years total | 76 | 47 | 71 | 54 | 64 |
| 6 years | 89 | 68 | - | . | 78 |
| 0-6 years total | 78 | 50 | 61 | . | 66 |
| 7-10 years | 65 | 3 | . | . | 53 |
| <i>2002</i> | | | | | |
| <1 year | 9 | 1 | 8 | 2 | 0 |
| 1-2 years | 78 | 36 | 72 | 40 | 65 |
| 3-5 years | 94 | 67 | 93 | 82 | 91 |
| 0-5 years total | 75 | 46 | 72 | 56 | 67 |
| 6 years | 90 | 68 | - | . | 83 |
| 0-6 years total | 77 | 50 | 62 | . | 69 |
| 7-10 years | 66 | 3 | . | . | 58 |

1 Figures as from 1999 include children in publicly subsidised private day care.

2 As from 1995, only children between 0 and 5 years. The enrolment percentage in 1995 was 91 for 3-5 year-olds and 67 for 0-5 year-olds.

3 As from 1999, only children between 0 and 5 years.

4 Cf. Table 4.11, note 4.

Child and Youth Welfare

- Preventive measures are in focus

In all the Nordic countries, various forms of preventive measures are taken to further the upbringing of children and youth in safe and comfortable environments. These may comprise both general measures and measures specifically aimed at individual children or youths.

Legislation in the various countries also allows for the public authorities to step in lending support if the risk arises of children or young people growing up in adverse circumstances.

Preventive measures

In Denmark, 36 689 families made use of one or more preventive measures during 2002 by way of advisory services, practical educational support in the homes, family treatment, stays in residential institutions for both parents and children, contact or support persons for the entire family, or financial support with a view to avoiding placement of children outside of their homes. Furthermore, at the end of 2002 7 647 children and youths had been placed in residential care, with foster families or in other relevant institutions, to relieve their parents from taking care of them for a while. 1 136 children and youths had had a personal advisor appointed to them, and 2 204 children a specific contact person. 3 052 children and youths received financial support towards staying at boarding or continuation schools without that being an actual placement outside of their own homes. Furthermore, 299 young people had been placed as trainees with an employer, and 212 young people were placed in a "halfway scheme" in the institution or home, where they had been placed.

In Finland, the preventive child welfare service is responsible for influencing the development of children's well being as well as for preventing the risks to which a child may be exposed. Such measures may be by way of support staff or support families, help in getting a job, a place to live or support to hobby activities. In 2002, 54 458 people received support. 91 per cent of these were children under 18 years, whereas the remaining 9 per cent were between 18 and 20 years. In 2002, there was an addition of 14 658 new clients, corresponding to 27 per cent of all those receiving assistance.

In Iceland, 2 746 children received help in 2001 by way of preventive measures. Of those, 430 were placed outside of their homes for short or long periods. Preventive measures taken by the Child Welfare Service may be in the shape of advice to or guidance of the parents, support contacts,

support families, placement of children in family care or in institutions, etc. In each case brought before a child welfare service, there must be a plan in writing stating the purpose of using the various measures, their reassessment date, as well as a specification of the roles of the child, the parents, the Child Welfare Service board and any other parties during the duration of the plan.

In Norway, 34 350 children made use of one or more preventive measures from the Child Welfare Service in 2002. Of these, about 6 550 were under the care of the Child Welfare Service. At the end of 2002, there was 23 children per 1 000 children under 18 years who made use of one or other of the offers.

In Sweden, preventive measures consist of offers to families with infants with a view to improving the interaction between parents and children. Measures may also take the shape of group activities for young people and/or single mothers as well as for children of alcoholics, or of extended pre-school classes combining daily activities with visits to the homes, which measure aims at providing families with practical and psychosocial support in the homes.

For young criminals, abusers and young people with other psychosocial problems, measures have been developed to the effect that a youth participates in a number of structured activities in the course of a day, usually work/studies and organized leisure activities.

Another kind of activity is the so-called contact staff. An adult contact person or a contact family is assigned to a child or youth whom they see regularly. A contact person or contact family is the part of the open efforts, which most children and youths had contact with in 2002. About 22 000 children and youths had such a contact during the year. About 18 700 children and youths received personal support based on need, and about 5 100 participated in a structured treatment programme (without placement) in 2002.

Placement outside of the home

In all the countries, it may become necessary to place a child outside of its home. The reasons may be that parents need help to bring up a child, or that a child's health or development is threatened due to lack of minding. Measures may also be taken if young people themselves expose their health or development to grave danger, e.g. through alcohol and/or drug abuse or crime.

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Most placements of children outside of their homes take place with the consent of the children's parents. Formally, most of the placements in Norway are involuntary as they are performed by the county authorities.

In all the countries, children may be removed from their homes without the consent of their parents. In Finland and Sweden, this is done following a court decision. In Denmark and Iceland, special municipal child and youth committees decide whether or not a child is to be removed from its home. In Norway, government committees decide whether the Child Welfare Service must assume care of a child and place it outside of its own home, but the law also allows for a child to be placed outside of its home without any decision being made by the welfare service.

The number of children placed outside of their own homes varies from one country to another, and the ratio has gone up in recent years. One trait common to all the countries is that more preventive measures are to a high degree taken in the homes, in respect of children and families.

In Denmark, the number of placements is somewhat higher than in the rest of the Nordic countries. This mainly applies to the 15-20 year-olds and must be seen in connection with the fact that a relatively large number of young people in Denmark is placed outside of their homes, e.g. at boarding schools or continuation schools, in lodgings or in socio-instructional communal housing. This is only the case to a limited degree in the other Nordic countries.

Especially in the older age groups more boys than girls are placed outside of their homes, whereas the differences within the younger age groups are considerably smaller.

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Table 4.13 Children and young people placed outside of their own homes during the year, by age and per 1 000 inhabitants in the respective age groups, 1995-2002

| | 1995 | 2000 | 2001 | 2002 | | |
|-----------------------------|------|------|------|-------|------|-------|
| | | | | Total | Boys | Girls |
| <i>Denmark</i> | | | | | | |
| 0-6 years | 3.9 | 4.5 | 4.7 | 4.5 | 4.6 | 4.5 |
| 7-14 years | 11.9 | 13.0 | 13.2 | 13.1 | 14.8 | 11.3 |
| 15-17 years | 29.3 | 33.1 | 33.6 | 33.7 | 36.8 | 30.4 |
| 18-20 years | 15.0 | 17.1 | 19.1 | 20.0 | 20.9 | 19.0 |
| 0-20 years | 12.0 | 13.0 | 13.5 | 13.6 | 14.9 | 12.3 |
| <i>Finland</i> | | | | | | |
| 0-6 years | 5.2 | 5.7 | 5.9 | 6.2 | 6.3 | 6.0 |
| 7-14 years | 8.5 | 9.6 | 9.9 | 10.3 | 11.1 | 9.5 |
| 15-17 years | 12.7 | 16.1 | 17.5 | 18.5 | 18.1 | 18.8 |
| 18-20 years | 9.0 | 11.7 | 12.3 | 13.6 | 14.1 | 13.1 |
| 0-20 years | 8.1 | 9.7 | 10.1 | 10.7 | 11.1 | 10.3 |
| <i>Iceland¹⁾</i> | | | | | | |
| 0-6 years | 3.5 | 2.6 | 3.0 | 2.6 | 2.8 | 3.1 |
| 7-12 years | 9.0 | 4.8 | 5.1 | 6.0 | 7.5 | 9.0 |
| 13-16 years | 11.4 | 8.8 | 11.0 | 7.6 | 9.1 | 10.5 |
| 0-16 years | 7.3 | 5.2 | 6.1 | 5.1 | 6.2 | 7.2 |
| <i>Norway</i> | | | | | | |
| 0-6 years | 3.4 | 3.6 | 3.8 | 4.1 | 4.2 | 3.9 |
| 7-14 years | 7.9 | 7.9 | 8.0 | 8.1 | 8.4 | 7.7 |
| 15-17 years | 14.2 | 17.4 | 17.7 | 18.1 | 17.9 | 18.1 |
| 18-19 years | 7.4 | 11.0 | 12.0 | 14.7 | 16.0 | 13.2 |
| 0-19 years | 7.1 | 7.9 | 8.2 | 8.7 | 9.0 | 8.3 |
| <i>Sweden²⁾</i> | | | | | | |
| 0-6 years | 3.6 | 3.6 | 3.7 | 3.9 | 3.9 | 3.9 |
| 7-14 years | 7.0 | 7.1 | 7.2 | 7.3 | 7.6 | 7.0 |
| 15-17 years | 14.4 | 16.8 | 17.2 | 17.4 | 16.8 | 18.1 |
| 18-20 years | 5.1 | 11.8 | 12.1 | 12.9 | 14.5 | 11.2 |
| 0-20 years | 6.5 | 8.0 | 8.2 | 8.5 | 8.8 | 8.3 |

1 In 2002 age groups are 0-6 years, 7-14 years, 15-18 years and 0-18 years. Distribution by sex and age based on estimates.

2 As from 1999, figures include the group of 18-20 year-olds who receive treatment according to the Social Service Act. This group of mainly 19-20 year-olds was previously included in the statistics as adult abusers.

Expenditure on and Financing of Cash Benefits and Services to Families and Children

Differences and similarities in the expenditure on families and children

The amounts spent by the Nordic countries on families and children vary highly, measured in PPP per capita. Denmark and Norway spend the most and Iceland the least. It should be mentioned, however, that only Finland and Iceland (until the year 2000) have included salaries and wages in their calculations concerning childbirth and adoption in the social expenditure.

A more detailed picture appears from the distribution on the individual benefit areas.

Sweden and Norway, who have the largest expenditure on daily cash benefits in connection with childbirth and adoption, also have the longest leave schemes. In return, Iceland spends the largest amount on benefits payable on childbirth. Such benefits are also granted in Norway to women who work at home, but are almost non-existent in the other countries.

In Denmark, cash benefits to parents minding children covers leave schemes for child-minding; in Finland, allowances for minding children in the home; and in Sweden, temporary parental benefits. In Norway, the amount covers expenditure on a child-supervision scheme. This is a scheme aimed at granting single providers a subsidy for minding children to enable them to be professionally active. Similar allowances do not exist in the other countries.

When it comes to services, Denmark spends the most and Finland and Iceland the least.

In Denmark, the expenditure on day-care institutions and residential institutions, preventive measures, etc., is considerably higher than in the other countries, followed by Sweden. There are certain parallels in the expenditure on day-care institutions and the degree of coverage in the various countries. As the expenditure on after-school-club schemes is not included in the social expenditure, there is no direct connection between expenditure and the degree of coverage.

The considerably higher expenditure on residential institutions, preventive measures, etc., in Denmark than in the other countries is due to the number of children and young people placed outside of their own homes being relatively high.

The expenditure on child allowances is highest in Norway and lowest in Iceland. Expenditure on other cash benefits mainly consists of the public authorities' advance payment of maintenance allowances for children, where Sweden spends the most.

Changes in the social expenditure on families and children from 2001 to 2002

In Denmark, the expenditure on cash benefits to families and children increased by 3 per cent from 2001 to 2002. Especially the expenditure on maternity benefits increased as a result of the prolongation of the maternity-leave period to 1 year. The expenditure on services increased by 2.6 per cent. The expenditure on both preventive measures for children and young people and on residential institutions, foster care, etc., for children and young people who had been placed outside of their homes, increased. The expenditure on day facilities stayed, on the other hand, almost the same as the year before.

In Finland, the expenditure on families and children in 2002 remained the same as in 2001. This was mainly due to a decrease in the number of births by 630. Consequently, the expenditure on child allowances and home help dropped. The expenditure on parental daily cash benefits increased, however, as the wage level was higher than the previous year, and more men made use of their right to go on leave. There were 4 000 less children in the day-care institutions, and the expenditure remained the same as in 2001. On the other hand, the expenditure on child and youth welfare increased for those placed outside of their own homes.

In Iceland, the social expenditure on families and children increased by 9.8 per cent from 2001 to 2002 measured at constant prices. The expenditure on cash benefits increased by 12.2 per cent, which was due to changes in the maternity leave scheme. The scheme was changed in 2001, but was completely enhanced in 2003. The expenditure on social services increased by 7.8 per cent at constant prices, where the increase in the expenditure on day-care institutions was the most significant.

In Norway, the expenditure on cash benefits remained the same from 2001 to 2002 at constant prices. At the same time, registration was made of the various items of cash benefits in 2002, so that the individual items from 2001 cannot be compared with those from 2002. The figures from 2001 concerning services cannot be compared with those from 2002, which is mainly due to the fact that user charges payable for day-care institutions and after-school club schemes have been deducted from the expenditure in 2002.

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In Sweden, the expenditure on families and children increased by 4.5 per cent measured at constant prices. The majority of the expenditure increase was a result of the reform with maximum user payment, and that there is now more capacity within the child and youth welfare.

Table 4.14 Expenditure on and financing of cash benefits and services to families and children, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, million</i> | | | | | |
| A. Daily cash benefit in the event of childbirth and adoption | 5 557 | 550 | 4 548 | 8 133 | 14 480 |
| B. Birth grants | - | 10 | 0 | 397 | 39 |
| C. Parental leave benefits | 1 568 | 343 | - | 2 927 | 3 745 |
| D. Family or child allowances | 13 733 | 1 366 | 5 024 | 14 970 | 21 026 |
| E. Supplements | - | - | - | - | - |
| F. Other | 184 | 87 | 862 | 3 493 | 2 191 |
| a. Of which advance on maintenance allowance to children | 184 | 87 | 862 | 604 | 2 191 |
| Cash benefits, total | 21 042 | 2 355 | 10 434 | 29 920 | 41 481 |
| <i>Services, million</i> | | | | | |
| A. Child day care | 22 137 | 1 316 | 8 466 | 9 936 | 20 027 |
| B. Accommodation | 6 949 | 213 | 1 931 | 2 206 | 6 831 |
| C. Home help | 17 | 28 | 150 | 83 | - |
| D. Other | 2 733 | 256 | 1 059 | 5 776 | 4 911 |
| Services, total | 31 836 | 1 814 | 11 607 | 18 001 | 33 243 |
| Total expenditure, million | 52 877 | 4 169 | 22 041 | 47 921 | 74 724 |
| Expenditure as percentage of GDP | 3.9 | 3.0 | 2.8 | 3.1 | 3.2 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 90.4 | 90.9 | 81.8 | 79.1 | 73.0 |
| - Employers | 0.4 | 4.6 | 18.2 | 12.1 | 26.2 |
| - The insured (contributions and special taxes) | 9.2 | 4.5 | 0.0 | 8.8 | 0.8 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million | 1 456 | 18 | 1 976 | .. | 3 186 |
| - Per cent | 2.8 | 0.4 | 9.8 | .. | 4.5 |

Table 4.15 Expenditure on cash benefits and services to families and children, PPP 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| Cash benefits, total per capita | 403 | 369 | 323 | 607 | 432 |
| Per child 0-17 years of age | 1 832 | 1 714 | 1 189 | 2 571 | 2 044 |
| Services, total per capita | 610 | 284 | 359 | 365 | 347 |
| Per child 0-17 years of age | 2 771 | 1 320 | 1 323 | 1 547 | 1 638 |
| Families and children, total per capita | 1 013 | 653 | 681 | 972 | 779 |
| Total per child 0-17 years of age | 4 603 | 3 034 | 2 512 | 4 117 | 3 682 |

User charges payable for child-minding

In all five Nordic countries, parents pay part of the costs for having their children minded in day-care institutions. When charges are calculated, a family's income is normally taken into account, just as discounts may be given for siblings. Children of parents who have a very low income may in all the countries be granted a place free of charge.

In Denmark, rules governing the maximum amount of user charges, places free of charge and sibling discounts are laid down centrally. In Finland, user charges are fixed centrally, whereas the local authorities decide whether or not they will grant places free of charge. In Iceland and Sweden, the local authorities fix user charges. In Norway, the kindergarten owners, who are either the local authorities or private individuals, fix user charges. In Sweden, parents normally pay a charge based both on their incomes and on the period of time that their child spends in the institution, but there may also be a fixed charge independent of income and period of time. The charge payable for child minding in one of the private care schemes ought in principle to be the same as the charge payable in the municipal schemes. In none of the countries may the charges exceed the actual costs of a place in an institution.

In Denmark, user charges amounted to approximately 20 per cent of the running costs in 2002 for day care and day-care institutions. In Finland, user charges made up about 15 per cent of the running costs for municipal day care. In Iceland, user charges for places in municipal day-care institutions amounted to 29 per cent of the total running costs, and user charges

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for after-school-club schemes amounted to 54 per cent of the total running costs. In Norway, user charges payable for private kindergartens amounted to 41 per cent and for municipal kindergartens 33 per cent of the total running costs. Private and municipal kindergartens do, however, calculate their total running costs in different ways. Although private kindergartens on average are more expensive than the municipal ones, the price differences are in reality not as large for the parents as the percentages suggest. Also the after-school-club schemes are mostly based on user charges adjusted by the local authorities. It is, however, impossible to calculate how large a part parents pay themselves. In Sweden, rules on maximum user payment for stays in day-care institutions were introduced in 2002. The year before, parents' user charges amounted to 21 per cent of the expenditure, but decreased to 12 per cent in 2002.

Chapter 5

Unemployment

In the countries where the unemployment rate is high, the expenses for curbing unemployment make up a considerable part of the total social expenditure.

The rules governing both income-substituting benefits to the unemployed and the extent of activating measures for the unemployed vary considerably from one country to another. Consequently, there is no direct correlation between the extent of unemployment and the expenditure on unemployment.

Table 5.1 Expenditure on unemployment as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|-----|---------|------|-----------------|------|
| Denmark | 9.7 | Austria | 4.9 | Italy | 1.5 |
| Finland | 9.5 | Belgium | 11.0 | Luxembourg | 2.5 |
| Iceland | 1.5 | France | 6.8 | The Netherlands | 4.7 |
| Norway | 2.5 | Germany | 7.9 | Portugal | 3.2 |
| Sweden | 5.5 | Greece | 5.8 | Spain | 12.6 |
| | | Ireland | 7.9 | United Kingdom | 2.8 |

Note: Cf. Table 4.1.

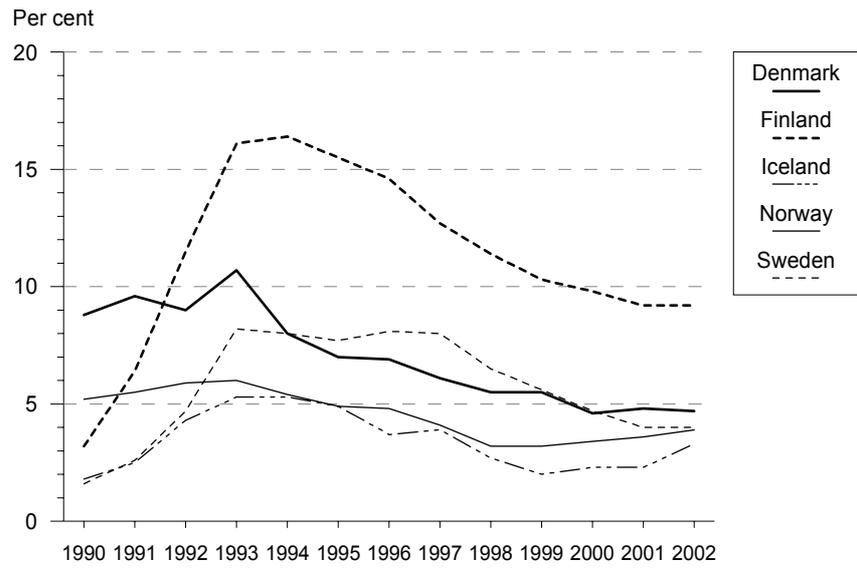
Generally, there are high participation rates in the Nordic countries, but there are significant dissimilarities among the countries, cf. Table 5.2.

The unemployment rate was very high in some of the Nordic countries during the 1990s, but it declined markedly during recent years in all the countries in relation to the first half of the 1990s. In all the countries, the unemployment rate for the 16-24 year-olds is considerable higher, however, than it is for the remaining part of the population, cf. Table 5.3.

In all the Nordic countries, the labour market is undergoing a radical transformation, for which reason enhanced demands are made on the qualifications, flexibility and mobility of the labour force.

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Figure 5.1 Development in the unemployment rate, 1990-2002



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Table 5.2 The population aged 16-64 years, broken down by sex and activity, 2002

| | Denmark | Finland ¹⁾ | Iceland | Norway | Sweden |
|--|---------|-----------------------|---------|--------|--------|
| <i>Men</i> | | | | | |
| Men aged 16-64 years (1 000) | 1 769 | 1 758 | 90 | 1 477 | 2 879 |
| <i>Of whom (per cent):</i> | | | | | |
| Employed, total | 80 | 69 | 88 | 80 | 76 |
| - Full-time | 73 | 64 | 78 | 72 | 68 |
| - Part-time | 8 | 5 | 10 | 8 | 8 |
| Unemployed | 4 | 7 | 3 | 4 | 4 |
| Outside of the labour force | 16 | 24 | 9 | 16 | 20 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Women</i> | | | | | |
| Women aged 16-64 years (1 000) | 1 732 | 1 720 | 88 | 1 432 | 2 788 |
| <i>Of whom (per cent):</i> | | | | | |
| Employed, total | 72 | 66 | 82 | 74 | 73 |
| - Full-time | 51 | 55 | 48 | 42 | 48 |
| - Part-time | 21 | 11 | 34 | 32 | 25 |
| Unemployed | 4 | 7 | 2 | 3 | 3 |
| Outside of the labour force | 24 | 27 | 16 | 23 | 24 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Men and women</i> | | | | | |
| Men and women aged 16-64 years (1 000) | 3 501 | 3 479 | 177 | 2 909 | 5 666 |
| <i>Of whom (per cent):</i> | | | | | |
| Employed, total | 76 | 68 | 85 | 77 | 75 |
| - Full-time | 62 | 59 | 63 | 57 | 59 |
| - Part-time | 14 | 8 | 22 | 20 | 16 |
| Unemployed | 4 | 7 | 3 | 3 | 3 |
| Outside of the labour force | 20 | 26 | 13 | 20 | 22 |
| Total | 100 | 100 | 100 | 100 | 100 |

1 Population aged 15-64 years.

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Table 5.3 Development in the unemployment rate by sex, 1995-2002

| | Average number of unemployed people | Unemployed people as percentages of the labour force | | | | | |
|-----------------------------|-------------------------------------|--|------|-------|-----------------|------|-------|
| | | Total | Men | Women | 16-24 year-olds | | |
| | | | | | Total | Men | Women |
| Danmark¹⁾ | | | | | | | |
| 1995 | 197 000 | 7.0 | 6.1 | 8.2 | 9.7 | 8.8 | 10.6 |
| 2000 | 131 000 | 4.6 | 4.0 | 5.2 | 6.5 | 6.5 | 6.5 |
| 2001 | 137 000 | 4.8 | 4.4 | 5.3 | 8.6 | 8.2 | 9.0 |
| 2002 | 134 000 | 4.7 | 4.4 | 5.1 | 7.8 | 7.7 | 7.9 |
| Finland²⁾ | | | | | | | |
| 1995 | 382 000 | 15.5 | 15.8 | 15.1 | 29.7 | 30.7 | 28.6 |
| 2000 | 253 000 | 9.8 | 9.1 | 10.6 | 21.4 | 21.1 | 21.6 |
| 2001 | 238 000 | 9.2 | 8.7 | 9.7 | 19.8 | 19.6 | 20.0 |
| 2002 | 237 000 | 9.2 | 9.2 | 9.1 | 21.0 | 21.2 | 20.9 |
| Iceland | | | | | | | |
| 1995 | 7 200 | 4.9 | 4.8 | 4.9 | 11.0 | 13.1 | 8.6 |
| 2000 | 3 700 | 2.3 | 1.8 | 2.9 | 4.7 | 5.7 | 3.6 |
| 2001 | 3 700 | 2.3 | 2.0 | 2.5 | 4.8 | 5.4 | 4.3 |
| 2002 | 5 300 | 3.3 | 3.6 | 2.9 | 7.2 | 9.7 | 4.4 |
| Norway³⁾ | | | | | | | |
| 1995 | 107 000 | 4.9 | 5.2 | 4.6 | 11.8 | 12.2 | 11.5 |
| 2000 | 81 000 | 3.4 | 3.6 | 3.2 | 10.2 | 9.9 | 10.6 |
| 2001 | 84 000 | 3.6 | 3.7 | 3.4 | 10.6 | 10.8 | 10.4 |
| 2002 | 92 000 | 3.9 | 4.1 | 3.6 | 11.4 | 12.4 | 10.3 |
| Sweden | | | | | | | |
| 1995 | 333 000 | 7.7 | 8.5 | 6.9 | 15.3 | 16.7 | 14.0 |
| 2000 | 203 100 | 4.7 | 5.0 | 4.2 | 8.1 | 8.6 | 7.4 |
| 2001 | 175 200 | 4.0 | 4.3 | 3.6 | 8.0 | 9.1 | 6.8 |
| 2002 | 176 400 | 4.0 | 4.4 | 3.6 | 8.6 | 9.8 | 7.5 |

1 The data are based on the labour-force surveys concerning the 15-66 year-olds.

2 15-24 year-olds.

3 The statistics were restructured in 1996, for which reason the figures are not comparable with those from previous years. Had the gathering method been the same, the unemployment figures would have been lower for men, women and young people of the ages 16-24 years.

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Table 5.4 Number of people (1 000) who received cash benefits for at least one day in connection with unemployment, 1995-2002

| | Denmark | Finland | Iceland ¹⁾ | Norway ¹⁾ | Sweden |
|---------------------------------------|---------|---------|-----------------------|----------------------|--------|
| <i>1995</i> | | | | | |
| Insured | 672 | 683 | 19 | 310 | 824 |
| Non-insured | 111 | 270 | .. | - | 137 |
| Total | 783 | 827 | 19 | 310 | 961 |
| Total in per cent of the labour force | 28 | 33 | .. | 14 | 22 |
| <i>2000</i> | | | | | |
| Insured | 490 | 340 | 7 | 165 | 622 |
| Non-insured | 70 | 287 | .. | .. | 55 |
| Total | 560 | 603 | 7 | 165 | 677 |
| Total in per cent of the labour force | 20 | 23 | 4 | 7 | 16 |
| <i>2001</i> | | | | | |
| Insured | 478 | 320 | 9 | 161 | 536 |
| Non-insured | 64 | 271 | .. | .. | 61 |
| Total | 542 | 568 | 9 | 161 | 597 |
| Total in per cent of the labour force | 19 | 22 | 5 | 7 | 14 |
| <i>2002</i> | | | | | |
| Insured | 471 | 332 | 12 | 174 | 495 |
| Non-insured | 63 | 263 | .. | .. | 58 |
| Total | 534 | 569 | 12 | 174 | 553 |
| Total in per cent of the labour force | 19 | 22 | 8 | 7 | 13 |

1 Calculated on the basis of the number of approved unemployment benefit applications.

In Table 5.3, the number of unemployed people is shown as an average at a number of given census times, while Table 5.4 shows the number of people affected by unemployment for at least one day during the respective years. A comparison of the figures in the two tables thus indicates that relatively many unemployed people find employment again within less than a year, but the lengths of the unemployment periods also vary from one country to another.

Cash Benefits in the Event of Unemployment

A common trait to all the Nordic countries is that the labour-market policy has played an important part in the general economic policy, where a high employment rate and a low unemployment rate have been an important goal as well as a prerequisite for the Nordic welfare states. When unemployment arises, it is either due to a generally low demand in the economy or the fact that the labour market does not function well enough, a phenomenon known as structural unemployment. The labour-market policy in the Nordic countries must especially contribute to the reduction of the structural unemployment via active measures rather than passive provision for the unemployed. However, the ways in which the individual countries have designed their labour market measures concerning active help (employment measures, etc.) and passive help (unemployment benefit and the like) vary considerably.

The activating measures amount to approximately one third of the total expenditure on labour market measures in the Nordic countries.

Unemployment benefit is in all the Nordic countries a statutory benefit payable to people who become unemployed. The benefit is to compensate for lost income and to contribute to the maintenance of a reasonable standard of living for people, who have lost their jobs. The compensation level and the limited payment period will ensure that unemployed people are encouraged to seek and take on a new job. Consequently, the benefit schemes also have a labour-market policy function. In all the countries, obligations are connected with the reception of benefits. Recipients must be available to take on work, must be active in their job search, and must accept offers of activation and work provided for them.

Benefits in Case of Unemployment

In the Nordic countries, most unemployed people are entitled to cash benefits when they become unemployed. In Norway, unemployment insurance is compulsory for wage earners. In Iceland, all wage earners and self-employed people are statutorily insured against unemployment. Both in Iceland and Norway, there are, however, certain requirements that must be met in order to receive the benefit. Those not meeting the requirements

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may be awarded income-tested social assistance. In Denmark, Finland and Sweden, unemployment insurance is voluntary. In those countries, non-insured unemployed people are, however, entitled to a cash benefit that is usually lower than the unemployment benefit.

In Denmark, unemployment insurance is voluntary and is administered by the unemployment funds. The unemployment benefits are financed by member contributions and by the labour-market contribution payable by all employed people. Non-insured people will be awarded cash assistance (social assistance) if they meet certain requirements. It is also possible to retire early from the labour market by way of voluntary early retirement, cf. Chapter 7, but this does not depend on whether the person in question has been or is expected to become unemployed.

In Finland, unemployment benefits consist of a basic amount (basic daily cash benefits) and a benefit that is based on previous income (income-related daily cash benefits). The income-based benefits are payable by the unemployment insurance funds whereas the basic amount is payable by the Social Insurance Institution. Non-insured people in Finland and people who have received income-related daily cash benefits or the basic amount for the maximum period of two years, and who are still unemployed, are entitled to a so-called labour-market assistance, which is income-tested, but basically the amount is the same as the basic amount of the daily cash benefit scheme. A pension is payable to people in their sixties who have been unemployed. This benefit is calculated in the same way as is disability pension. In 2002, 57 593 people received an average unemployment pension of EUR 1 080 per month.

In Iceland, the unemployment insurance is compulsory and is administered by the labour market department. The unemployment insurance scheme is completely financed by the employers.

In Norway, the unemployment insurance is also compulsory and everyone meeting the requirements as to previous income is entitled to daily cash benefits. The unemployment insurance scheme is financed via the national budget and administered by the labour-market department.

In Sweden, the unemployment insurance consists of a basic insurance and a voluntary unemployment insurance.

Non-insured people, who otherwise meet the requirements (and are 20+ years old) are entitled to a basic amount. Both the basic amount (the basic insurance) and the income-dependent amount (the unemployment insurance) are administered by the unemployment insurance funds.

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Entitlement to Daily Cash Benefits

Entitlement to receiving benefits from an unemployment insurance fund varies from one country to another:

In Denmark, one must have been a member of an unemployment insurance fund for one year, and full-time insured members must have worked for a minimum of 52 weeks as employees or in self-employment within the past three years. The maximum period during which one is entitled to unemployment benefit is four years. During the last three years of the total cash benefit period one is entitled to and under an obligation to accept activation. Members of unemployment benefit funds, who at the end of their activation period have reached the age of 55 and who, by continuing as members, will meet the requirements for entitlement to voluntary early retirement benefit at the age of 60, shall preserve their right to daily cash benefits until they reach the age of 60. Members of unemployment benefit funds who have turned 60 years are entitled to daily cash benefits for a maximum of two and a half years. Entitlement to unemployment benefit cannot be (re)gained through publicly subsidised employment but only through regular employment. Regaining of entitlement to unemployment benefits is subject to at least 26 weeks of work as an employee or as a self-employed person within the past three years.

In Finland, it is required that one must have worked for at least 43 weeks during the two previous years and at the same time have been a member of an unemployment insurance fund prior to becoming unemployed in order to be entitled to unemployment benefits. The total benefit period is normally 500 days within four consecutive calendar years. Individuals, who reach the age of 57 before having been paid unemployment benefit for 500 days, are entitled to unemployment benefit until they reach the age of 60. After that, they are entitled to an unemployment pension.

In Iceland, one must have been full-time employed for at least 10 weeks during the past 36 months to be entitled to unemployment benefit. The benefit is payable for working days. Unemployment benefit is payable for a maximum of five years.

The first period, in which unemployment benefit is payable, is based on previous regular work. A person may qualify for a new unemployment-benefit period by means of activities that may be equalled to work. This may be labour-market training, a period of voluntary work, employment with a temp subsidy, or a period in which a person has received a subsidy in order to set up a business of his own.

In Norway, a prerequisite for being entitled to unemployment benefit is that one has earned an income of at least 1.25 times the basic amount, corresponding to NOK 67 713 during the previous calendar year, or at least 3 times the basic

Table 5.5 Rules applying to payment of cash benefits in the event of unemployment as per December 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---|--|--|---|--|
| <i>Insured individuals</i> | | | | | |
| Age limit for entitlement to unemployment benefit | 19-66 years ¹⁾ | 17-64 years | 16-69 years | 16-66 years | 16-64 years ⁵⁾ |
| Number of qualifying days | - | 7 | - | 3 | 5 |
| Maximum number of days of unemployment benefit | 1 040 within 6 years (5 benefit days per week for 4 years) ²⁾ | 500 within 4 years ⁴⁾ (5 benefit days per week) | 260 days per year for 5 years | 780 (156 weeks of 5 working days) | 300/600 |
| Benefit re-obtainable? | Yes | Yes | Yes | Yes | Yes |
| On which conditions? | By complying with the requirement of 26 weeks' work within the past 3 years | By complying with the requirement of 43 weeks' work within 2 years | By complying with the requirement of 10 weeks' full-time work within the past 12 months. | By complying with the requirement of a minimum income | By complying again with the requirement of 6 months' work prior to becoming unemployed |
| Benefit taxable? | Yes | Yes | Yes | Yes | Yes |
| Supplement for children? | No | Yes | Yes | Yes | No |
| <i>Non-insured individuals</i> | | | | | |
| Age limit for entitlement to unemployment benefit | 18-66 years ³⁾ | 17-64 years | . | . | 16-64 years |
| Maximum benefit period | . | . | . | . | 300/600 ⁶⁾ |

1 Individuals between the ages of 18 and 65 are entitled to join an unemployment insurance fund, but entitlement to unemployment benefit applies to people between 19 and 66 years.

2 Members of an unemployment insurance fund, who have reached the age of 55 at the end of the total unemployment benefit period, and who would be entitled to voluntary early retirement benefit from their 60th year, maintain their entitlement to unemployment benefit till they reach the age of 60. Members who have turned 60 years are entitled to unemployment benefit for a maximum of 30 months.

3 Young people under 18 years and people of 67 years or more may in certain cases be entitled to cash assistance.

4 For the 57 year-olds, until the age of 60, however.

5 Entitlement to unemployment benefits is based on compliance with the employment requirement and a 12 months membership of an unemployment insurance fund.

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Table 5.6 Amount of cash benefits in the event of unemployment as per December 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|--|--|---|--|-------------------------------------|
| <i>Insured individuals</i> | | | | | |
| Amount of unemployment benefit (per week) | 90 per cent of the income from work for 5 days per week ²⁾ | Income-related benefit: on average 58 per cent of previous income from work. Basic amount: EUR 113.75 + child supplement: EUR 21.55 – 40.80 per week | Fixed amount + child supplement ³⁾ | 62.4 per cent of the calculation basis | 80 per cent of the income from work |
| Maximum income per week for full compensation ¹⁾ | DKK 3 705 | . | . | NOK 6 250 | SEK 4 250 |
| Maximum income per week for full compensation in PPP-Euro ¹⁾ | 382 | . | . | 575 | 406 |
| Min. amount per week | DKK 2 475 | EUR 113.75 | ISK 4 255 | NOK 650 | SEK 1 600 |
| Min. amount per week in PPP-Euro | 255 | 95 | 38 | 60 | 149 |
| Max. amount per week | DKK 3 020 | . | ISK 17 020 | NOK 3 900 | SEK 3 650 for 100 days, then 3 400 |
| Max. amount per week in PPP-Euro | 311 | . | 151 | 359 | 340 for 100 days, then 316 |
| <i>Non-insured individuals</i> | | | | | |
| Amount of benefit per week | Young people under 25 years: DKK 568/1 178 ³⁾ ; others: DKK 1 827/2 428+ special assistance ⁴⁾ | EUR 113.75 + child supplement: EUR 21.55 – 40.80 | Social assistance according to need. | . | SEK 1 600 ⁶⁾ |

1 The maximum income is the income ceiling (previous income) on the basis of which the unemployment benefit is calculated. Calculation of the income ceiling is made according to differing principles in the various countries.

2 Employers pay daily cash benefits of DKK 604 per day for the first and the second day of unemployment.

3 Special benefits for young people under the age of 25 with no children living at home.

4 The total assistance may not exceed 90 per cent of any previous income and may after 3 months of cash assistance not exceed 100 per cent of the maximum amount of daily cash benefit.

5 The cash assistance will be increased by 4 per cent for each child under the age of 18.

6 Minimum age 20 years. Requirement of work for 6 months prior to unemployment.

amount during the past three years, corresponding to NOK 162 510, prior to becoming unemployed. The basic amount is adjusted once a year and was as at 1 May 2002 NOK 54 170. The maximum benefit period varies according to the amount of any previous income. A previous income of at least twice the basic amount, corresponding to NOK 108 340 results in a benefit period of 156 weeks, whereas an earned income of less than twice the basic amount results in a benefit period of 78 weeks. Individuals over 64 years are ensured daily cash benefits until they reach the pensionable age of the national social security fund, which is 67 years.

In Sweden, one must have been gainfully employed for at least six months and been working for at least 70 hours per calendar month, or have been gainfully employed for at least 450 hours for a consecutive period of six calendar months and been working for at least 45 hours per month during all six months within a 12 months' period in order to become entitled to unemployment benefit (the so-called employment requirement).

Since February 2001, daily cash benefits will be payable for a maximum of 300 days during the unemployment period, irrespective of the recipient's age. When the benefit period expires, daily cash benefits may under certain circumstances be payable for another 300 days. Consequently, the maximum period in which daily cash benefits may be received is 600 days.

Apart from the rules mentioned above, entitlement to unemployment benefit is in all five countries subject to a person being registered with the employment service as seeking employment and being able to take on work. In addition, some of the countries have a qualifying period during which unemployment benefit is not payable. In Denmark and Iceland, there is no qualifying period; in Norway, there are three qualifying days, while Finland has seven and Sweden five qualifying days.

Compensation Levels in Case of Unemployment

Figure 5.2 shows the disposable income at four different income levels for a childless couple, where both are employed, and where the one earning the most starts receiving unemployment benefit, respectively. Figures 5.3 and 5.4 show the disposable income in the event of unemployment in per cent of the income earned from work for single people with and without children, respectively, calculated at five different income levels. The calculation has been made for insured and non-insured people, respectively (the latter only in respect of Denmark, Finland, Iceland and Sweden).

As can be seen from the figures, there are marked differences in the compensation levels for insured and non-insured people, respectively. This applies

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Figure 5.2 Disposable income for an insured childless couple, 2002

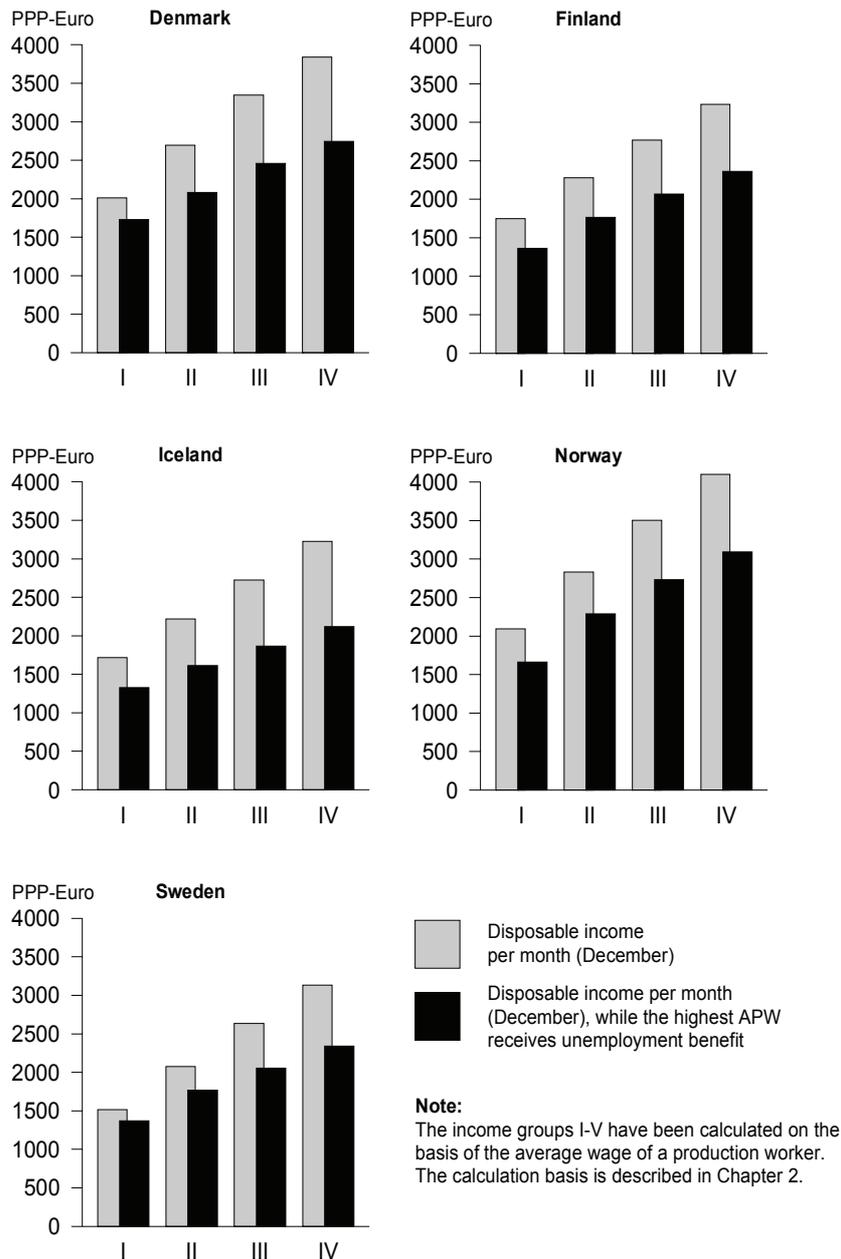
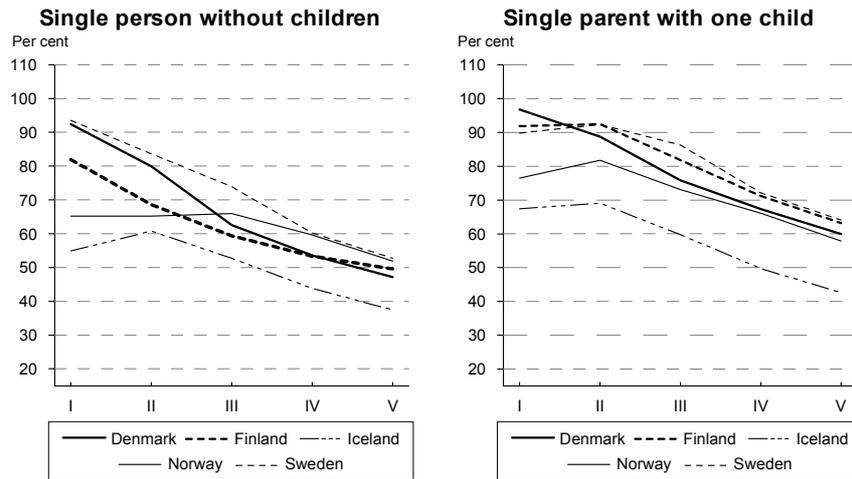
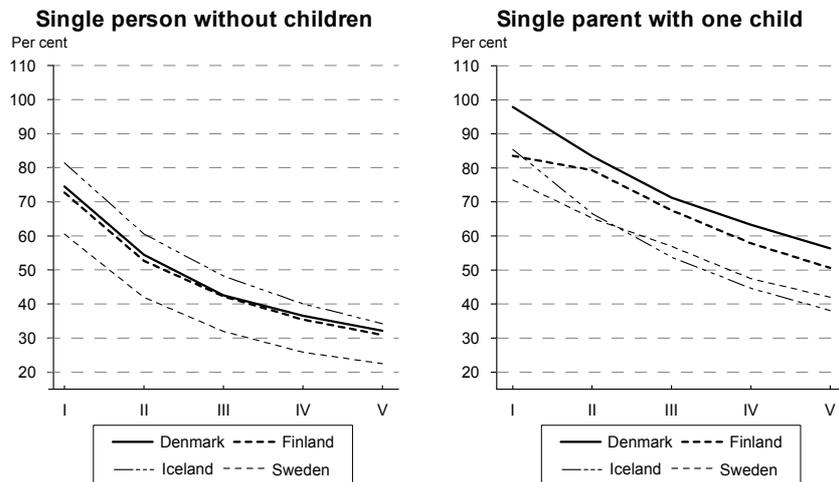


Figure 5.3 Disposable incomes while receiving unemployment benefits as percentages of disposable incomes while being employed, 2002



Note: The income groups I-V have been calculated on the basis of the average wage of a production worker. The calculation basis is described in Chapter 2.

Figure 5.4 Disposable incomes for non-insured individuals as percentages of disposable incomes from work, 2002



Note: The income groups I-V have been calculated on the basis of the average wage of a production worker. The calculation basis is described in Chapter 2.

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in particular to single people who have previously earned a high income and for single childless people. The compensation level for insured people depends first and foremost on the amount of the daily cash benefit in relation to previous income. It is highest in Denmark and lowest in Finland and Norway. In Iceland, a fixed amount is payable, irrespective of previous income. Secondly, the compensation level depends on the maximum amounts. It is highest in Norway and lowest in Iceland. In Finland, there is no upper limit to the amount of daily cash benefits, but where an income exceeds a certain level, the compensation will only be 20 per cent, however. In Norway, the fluctuating compensation levels are due to income ceilings and child supplements. In Sweden, the compensation-increase from level I to II is a result of the way in which the basic allowance is calculated in the tax system.

As to families with children, it makes a difference whether or not a supplement for children is payable, which is the case in Finland, Iceland and Norway. In addition, the amount of both housing benefits and charges payable for day-care institutions are adjusted in relation to income. This is important in relation to the compensation level for both insured and non-insured people and contributes in particular to giving single parents a high compensation level.

Cash Benefits during Job Training and Activation

- Focus on Activation

In addition to unemployment benefit, all the Nordic countries offer other forms of cash benefits to unemployed people. The lower age limit for the implementation of labour market measures is 18 years in Denmark and Finland and 16 years in Iceland. In Norway and Sweden, the age limit depends on the measure in question.

In Denmark, the activation aspects in the labour-market and social policies have played an increasingly important part since the labour market reform in 1994.

Unemployed recipients of daily cash benefits under the age of 25, who have had no vocational training qualifying them for the labour market, are, after 6 months of unemployment, entitled and obliged to receive an offer of education or training for a minimum of 18 months. The benefit payable during education or training corresponds to half the amount of the daily cash benefit. Other unemployed recipients of daily cash benefits under the age of 25 have a right and

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an obligation to accept activation after six months of unemployment, equalling the activation period for unemployed recipients of daily cash benefit over 25 years.

Unemployed recipients of daily cash benefits over 25 years are in 2002 entitled to and obliged to accept activation after one year of unemployment. The total daily cash benefit period is 4 years, and consists of a one-year daily cash benefit period and a three-year activation period. In the activation period, an unemployed person has the right and obligation to receive activation offers in the shape of education, job training, etc. and must be activated for at least 75 per cent of the three-year period. During the daily cash benefit period, activation is based on need and is flexible, partly aimed at groups at risk of becoming long-term unemployed, and partly to prevent lack of qualified manpower ("bottle necks"). The objective of the activation is primarily to improve the qualifications of the unemployed, so that they can take on ordinary work but also to motivate them to look for employment or education/training themselves.

After a maximum of 13 weeks, unemployed recipients of cash assistance under the age of 30 are entitled to and obliged to accept an offer of activation or training for at least 30 hours per week for 18 months; however only for six months for people with an education/training qualifying them to work. Recipients of cash assistance of 30 years or more must be offered activation no later than 12 months after having been granted cash assistance.

Unemployed people are entitled to wages during job training, while the benefits payable in connection with other activation and training measures largely correspond to the amount of daily cash benefits or cash assistance.

In Finland, the active measures aimed at improving the employment situation are an important part of the Finnish labour market policy. By way of such measures jobs are created, options for the long-term unemployed are enhanced, and the possibilities of the young getting into the labour market are improved. Besides, these measures are aimed at preventing long-term unemployment and to reduce the regional differences in the unemployment rates. Unemployed people who want to start their own businesses are also entitled to assistance.

The most important part of the active labour market policy is the service aimed at those available for work. The services provided by the agencies are job provision, information on training and occupation, vocational training for adults, information on education, training and various professions as well as occupational rehabilitation.

In Iceland, the Unemployment Insurance Fund has, apart from performing its main task of paying out unemployment benefits, undertaken to grant unemployed people subsidies towards various courses and special municipal employment measures.

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In Norway, the responsibility for occupational rehabilitation rests with the labour market authorities. They will first refer a person who has become unemployed to applying for a job that he or she is qualified for. If that proves insufficient, the authorities decide whether or not other measures, such as labour-market measures, are needed and will provide a suitable offer, if necessary. The level and composition of the labour-market measures will be adapted to the situation in the labour market. The number of special job offers is limited. The nature of the measures varies, but will mainly be directed towards groups with special difficulties in the labour market, such as long-term unemployed people, young people and immigrants.

In Sweden, job and qualifying activities are the most important aspects of the active labour market policy. This implies that an unemployed person, who cannot find work easily, must be offered training or some other relevant measure aimed at enabling that person to take on a proper job.

There is an activation guarantee for those who are or who are at risk of becoming long-time unemployed. The aim is to improve considerably unemployed people's possibilities of getting proper work in the labour market. Within the guarantee, individual action plans are drawn up specifying which measures the employment service can offer as well as what is expected of the participants.

People in need of occupationally adapted rehabilitation or special guidance may get help from the employment service and a labour-market institute. These institutes have special resources and qualifications within labour assessment, practical work orientation, adaptation of work places, etc.

The cyclically dependent programmes and measures that are offered include i.a. vocational training, aimed at increasing an unemployed person's possibilities of finding work and at making it easier for the employers to employ people with the relevant skills. There are also work-experience schemes that are to provide unemployed people looking for work via the employment service with vocational guidance, in-service training and vocational experience. As a supplement to the general labour market measures, an IT/activity centre has been set up for unemployed people, with a view to teaching them how to work with information technology. Young unemployed people under 20 years may receive in-service training in a municipal enterprise. Young unemployed people between 20 and 24 years may be offered an activation programme, the so-called youth guarantee. The programme must be individually adapted and include training or in-service training, or both.

Moreover, support is given to employers, aimed at motivating them to hire an unemployed person by partly covering their expenses in connection with the employment of a person who needs extra introduction or training.

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Table 5.7 Number of activated people, 1995-2002

| | Number of activated people during the year | | Number of activated people at the time of survey/average number of activated people | | Activated people as percentage of the labour force at the time of survey | |
|--------------------------|--|-----------------|---|-----------------|--|-----------------|
| | Total | 16-24 year-olds | Total | 16-24 year-olds | Total | 16-24 year-olds |
| <i>Denmark</i> | | | | | | |
| 1995, total | 258 392 | 52 214 | 110 935 | 16 030 | 4.0 | 3.4 |
| 2000, total | 221 534 | 34 828 | 87 239 | 10 507 | 3.2 | 2.6 |
| 2001, total | 219 542 | 33 354 | 88 742 | 9 624 | 3.2 | 2.4 |
| 2002, total | 218 252 | 34 126 | 86 953 | 9 753 | 3.1 | 2.6 |
| Of whom: | | | | | | |
| - Subsidized employment | 92 579 | 19 601 | 36 641 | 5 593 | 1.3 | 1.5 |
| - Education and training | 110 201 | 7 509 | 38 422 | 1 877 | 1.4 | 0.5 |
| - Other | 60 772 | 13 579 | 11 890 | 2 283 | 0.4 | 0.6 |
| <i>Finland</i> | | | | | | |
| 1995, total | 285 575 | 82 217 | 103 667 | 25 973 | 4.2 | 9.9 |
| 2000, total | 226 077 | 62 748 | 83 660 | 18 873 | 3.2 | 5.6 |
| 2001, total | 201 074 | 54 259 | 73 463 | 15 850 | 2.8 | 4.8 |
| 2002, total | 195 524 | 50 704 | 74 086 | 15 266 | 2.8 | 4.7 |
| Of whom: | | | | | | |
| - Subsidized employment | 95 775 | 13 146 | 36 980 | 4 586 | 1.4 | 1.4 |
| - Education and training | 55 424 | 8 778 | 26 346 | 4 062 | 1.0 | 1.2 |
| - Other | 44 325 | 28 780 | 10 760 | 6 618 | 0.4 | 2.0 |
| <i>Iceland</i> | | | | | | |
| 1995, total | .. | .. | .. | .. | .. | .. |
| 2000, total | 3 811 | 764 | .. | .. | 2.4 | 2.6 |
| 2001, total | 4 511 | 870 | .. | .. | 2.8 | 3.0 |
| 2002, total | 4 992 | 919 | .. | .. | 3.1 | 3.5 |
| Of whom: | | | | | | |
| - Subsidized employment | .. | .. | .. | .. | .. | .. |
| - Education and training | 2 217 | 401 | .. | .. | 1.4 | 1.5 |
| - Other | 2 775 | 518 | .. | .. | 1.7 | 2.0 |
| <i>Norway</i> | | | | | | |
| 1995, total | .. | .. | 42 145 | 16 482 | 1.9 | 5.6 |
| 2000, total | .. | .. | 11 439 | 3 520 | 0.5 | 1.1 |
| 2001, total | .. | .. | 10 066 | 3 147 | 0.4 | 1.0 |
| 2002, total | .. | .. | 9 285 | 3 193 | 0.4 | 1.0 |
| Of whom: | | | | | | |
| - Subsidized employment | .. | .. | 1 547 | .. | 0.1 | .. |
| - Education and training | .. | .. | 4 520 | .. | 0.2 | .. |
| - Other | .. | .. | 3 218 | .. | 0.1 | .. |
| <i>Sweden</i> | | | | | | |
| 1995, total | 781 000 | .. | 275 100 | .. | 6.1 | .. |
| 2000, total | 470 970 | .. | 166 159 | .. | 3.8 | .. |
| 2001, total | 397 883 | .. | 164 409 ¹⁾ | .. | 3.7 | .. |
| 2002, total | 526 339 | .. | 194 733 | .. | 4.4 | .. |
| Of whom: | | | | | | |
| - Subsidized employment | 131 469 | .. | 86 686 | .. | 2.0 | .. |
| - Education and training | 327 350 | .. | 85 462 | .. | 1.9 | .. |
| - Other | 67 520 | .. | 22 585 | .. | 0.5 | .. |

1 The data are exclusive of the effect of those people who are part of the programme that is about to be abolished.

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In addition, people who are unemployed or at a risk of becoming so may in some cases be granted a subsidy to start their own business.

There are measures for people with reduced working capacity, enabling them to work in subsidized jobs either with a public or a private employer.

Services in Connection with Unemployment

The services provided in connection with unemployment is first and foremost job provision, but in all the countries, also mobility-promoting benefits are available by way of i.a. removal assistance and assistance in connection with double housekeeping.

Employment Service

- Job provision is free of charge

In all five Nordic countries, there are employment services. They provide services to both job seekers and employers. The employment service is run by the State in all the countries.

In all five countries, job provision is free of charge for the users, and it is in principle up to a job seeker whether or not he or she wishes to accept the job offered. Unemployment benefit is, however, only payable if a job seeker is willing to accept a suitable offer, when available.

The activities run by the employment service include information on occupation and education as well as various activating measures, such as job seeking.

The number of vacant positions registered with the employment service differs considerably from one country to another. The differences in the figures reflect, however, differences in the way in which the employment service is used, rather than the actual number of vacant positions in the various countries.

**Table 5.8 Number of vacancies registered with the employment offices.
In thousands and as percentages of the labour force, 1995-2002**

| | Denmark | | Finland | | Iceland | | Norway ¹⁾ | | Sweden ²⁾ | |
|------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
| | Number of positions registered (1 000) | As percentage of the labour force | Number of positions registered (1 000) | As percentage of the labour force | Number of positions registered (1 000) | As percentage of the labour force | Number of positions registered (1 000) | As percentage of the labour force | Number of positions registered (1 000) | As percentage of the labour force |
| 1995 | 117 | 4 | 170 | 7 | .. | .. | 276 | 13 | 339 | 8 |
| 2000 | 96 | 3 | 302 | 12 | .. | .. | 591 | 25 | 522 | 12 |
| 2001 | 97 | 3 | 319 | 12 | 3 | 2 | 406 | 17 | 475 | 11 |
| 2002 | 85 | 3 | 328 | 13 | 4 | 2 | 301 | 13 | 461 | 11 |

1 Comprises both vacancies registered with the employment offices and vacancies registered elsewhere.

2 As percentage of the labour force aged 16-64 years (including the unemployed).

Expenditure on and Financing of Benefits in Connection with Unemployment

Differences and similarities in the expenditure on unemployment

The expenditure on unemployment reflects partly the extent of the unemployment, partly the amount of the daily cash benefit, and partly the extent of the activating measures provided for the unemployed.

Finland, being the Nordic country with the highest unemployment rate, has the second highest expenditure on unemployment measured in PPP per capita. It should be mentioned, however, that several subsidies are payable to the employers for activation. Those costs have not been included as social expenditure in this report. Sweden, being the country that has an unemployment rate equivalent to that in Denmark, spends almost the same amount as Finland measured in PPP per capita. The high expenditure in Denmark is due partly to the amount of the daily cash benefit, partly to the extent of the activation/job training. Iceland has the lowest unemployment rate, followed by Norway, which also reflects low costs, cf. Table 5.10.

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Changes in the Expenditure on Unemployment from 2001 to 2002

In Denmark, there was a slight increase in the expenditure on unemployment benefits as a result of a moderate increase in the number of recipients of daily cash benefits. The expenditure on activation of daily cash benefit recipients declined, however, from 2001 to 2002 as a result of a decrease in the number of activated recipients, especially in connection with education and training measures.

In Finland, the expenditure on unemployment increased by 4 per cent, but the unemployment rate remained almost the same as in 2001. The number of unemployed people decreased by 1 000, but the number of recipients of the various forms of unemployment benefits increased by 1 000. The number of people receiving unemployment pension declined by 430 people, but the average unemployment pension paid was 4 per cent higher in 2002 than in 2001.

In Iceland, the expenditure on unemployment increased by 51.9 per cent from 2001 to 2002 at constant prices. This was mainly due to an increase in the unemployment rate, there being an average of 43 per cent more unemployed people than the year before.

In Norway, the expenditure on cash benefits increased by 24 per cent from 2001 to 2002 due to an increased number of unemployed people, who were entitled to daily cash benefits, just as there was also an increase in the amount paid per recipient. It is not possible to compare the expenditure on services from 2001 and 2002. This is mainly a result of the current expenditure on A-etat being entered as administration costs.

In Sweden, the expenditure on unemployment increased by 0.4 per cent from 2001 to 2002 at constant prices. The increase was a result of higher costs in connection with the unemployment insurance scheme and benefits payable to labour-market training. The expenditure on job activation decreased, on the other hand. The expenditure also stayed at a low level because the expenditure on pensioning for labour market reasons had been revoked.

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Table 5.9 Expenditure on and financing of cash benefits and services in connection with unemployment, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, millions</i> | | | | | |
| A. Unemployment benefit | 17 875 | 2 215 | 2 781 | 8 638 | 24 189 |
| B. Partial unemployment benefit | - | 56 | - | - | - |
| C. Pension for labour market reasons | - | 743 | - | - | 277 |
| D. Cash benefits payable during vocational training | 17 455 | 171 | 92 | - | 7 571 |
| E. Compensating benefits | - | 22 | - | - | 1 715 |
| F. Other | - | - | - | - | - |
| Cash benefits, total | 35 330 | 3 207 | 2 873 | 8 638 | 33 752 |
| <i>Services, millions</i> | | | | | |
| A. Mobility and resettlement | - | 2 | - | - | 165 |
| B. Vocational training | - | 173 | - | 297 | 3 627 |
| C. Other | 1 222 | 127 | 608 | 1 120 | 2 787 |
| a. Of which employment services | 1 028 | 127 | 608 | 1 120 | - |
| Services, total | 1 222 | 302 | 608 | 1 417 | 6 579 |
| Total expenditure, millions | 36 552 | 3 509 | 3 481 | 10 055 | 40 331 |
| Expenditure as percentage of GDP | 2.7 | 2.5 | 0.4 | 0.7 | 1.7 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 31.4 | 51.7 | 10.1 | 44.9 | 0.4 |
| - Employers | 0.0 | 37.6 | 89.9 | 31.9 | 94.4 |
| - The insured (contributions and special taxes) | 68.6 | 10.7 | 0.0 | 23.2 | 5.3 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Millions | -2 292 | 144 | 1 189 | .. | 143 |
| - Per cent | -5.9 | 4.3 | 51.9 | .. | 0.4 |

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Table 5.10 Expenditure on cash benefits and services in connection with unemployment in PPP 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---------------------------------|---------|---------|---------|--------|--------|
| Cash benefits, total per capita | 677 | 503 | 89 | 175 | 352 |
| - Per capita of working age | 1 039 | 751 | 144 | 273 | 554 |
| Services, total per capita | 23 | 47 | 19 | 29 | 69 |
| - Per capita of working age | 36 | 71 | 31 | 45 | 108 |
| Unemployment, total per capita | 700 | 550 | 108 | 204 | 420 |
| - Per capita of working age | 1 075 | 822 | 175 | 318 | 662 |

Chapter 6

Illness

How large a part the total social expenditure makes up of the expenditure on illness varies considerably. It is lowest in Denmark and highest in Ireland.

Table 6.1 Expenditure in connection with illness as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|------|---------|------|-----------------|------|
| Denmark | 19.7 | Austria | 24.0 | Italy | 25.1 |
| Finland | 23.7 | Belgium | 23.6 | Luxembourg | 24.6 |
| Iceland | 37.9 | France | 27.7 | The Netherlands | 28.4 |
| Norway | 33.8 | Germany | 27.7 | Portugal | 27.5 |
| Sweden | 28.6 | Greece | 25.0 | Spain | 29.3 |
| | | Ireland | 41.5 | United Kingdom | 27.1 |

Note: See Table 4.1.

Paid Absence in Connection with Illness

- Everyone in Gainful Employment is in Principle Ensured Daily Cash Benefits or Wages in Case of Illness

The structures of the wage and daily cash benefit schemes concerning illness vary considerably from one country to another. In principle, everyone in gainful employment is entitled to compensation in case of loss of income. The rules governing such compensation depend on one's position in the labour market. Employees are usually better covered than are self-employed people, and special rules apply to the unemployed.

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Table 6.2 Rules governing payment of cash assistance* to employees in connection with illness as per December 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---|---------------------------|---------------------------|-----------------------------|-----------------------|
| Maximum period of sickness benefit/sick pay | 52 weeks ¹⁾ within 18 months | 52 weeks within two years | 52 weeks within two years | 52 weeks within three years | No time limit |
| Qualifying period? | No | No ²⁾ | Yes ³⁾ | No | Yes |
| Length of qualifying period | - | - | .. | - | 1 day |
| Employer period? | Yes | Yes ²⁾ | Yes | Yes | Yes |
| Duration of employer period | 2 weeks | 10 working days | 1 month ⁴⁾ | 16 days | 2 weeks ⁵⁾ |
| Wages/Salaries payable during illness? | Yes | Yes | Yes | Yes | Yes |
| Statutory payment of wages/salaries during illness? | Yes | Yes ²⁾ | Yes | Yes | No |
| Payment of wages/ salaries during illness according to agreement? | Yes | Yes | Yes | Yes | Yes |

* By cash assistance sickness benefits or wages are meant.

- 1 Under special circumstances, the benefit period may be prolonged. This applies, for instance, where it is deemed likely that rehabilitation may be implemented, or where an application for anticipatory pension has been submitted for consideration. In addition, a benefit period may be prolonged by 2×26 weeks in case of serious illness or an industrial injury.
- 2 Sickness benefits will neither be paid for the day on which an employee falls ill nor for the following 9 working days. During that period, employers pay full wages/salaries according to law. According to collective agreements, employers pay full or partial wages for 1-3 months during illness. During that period, the benefit will be payable to the employer.
- 3 In the public sickness insurance scheme.
- 4 In accordance with legislation, wages/salaries are payable during illness depending on the length of the employment period. After 1 year of employment, wages/salaries shall be payable for one month, increasing to three months after five years of employment. Most collective agreements contain agreements on pay during illness exceeding those three months.
- 5 During the employer period, there is a qualifying period of one day. This also applies to people who are not gainfully employed.

Table 6.3 Amount of sickness benefits payable to employees in connection with illness as per December 2002

| | Denmark | Finland | Norway | Sweden |
|---|--------------|-------------------------|--------------|--------------|
| Amount of sickness benefit as percentage of income from work | 100 | Normally 70 | 100 | 80 |
| Maximum income per week for full compensation ¹⁾ | DKK 3 331 | . | NOK 6 250 | SEK 5 451 |
| Maximum income per week for full compensation in PPP-Euro ¹⁾ | 343 | . | 575 | 507 |
| Min. amount per week in national currency | . | EUR 60.54 ²⁾ | NOK 521 | SEK 140 |
| Min. amount per week in PPP-Euro | . | 49.22 | 48 | 13 |
| Max. amount per week | DKK 3 016 | . | NOK 6 250 | SEK 4 361 |
| Max. amount per week in PPP-Euro | 311 | . | 575 | 406 |
| Sickness benefit taxable? | Yes | Yes | Yes | Yes |
| Supplement for children? | No | No | No | No |

1 The maximum income is the income ceiling (previous income) on which the calculation of sickness benefits is based. The calculation of the maximum income is made according to varying principles in the various countries.

2 People, who have a small or no income, may receive means-tested daily cash benefits for periods of incapacity for work exceeding 55 days.

Statutory Wages/Salaries or Employer Period at the Beginning of a Period of Absence

At the beginning of a period of illness, employers in all the Nordic countries have a statutory obligation to pay compensation either by way of statutory sick pay or of sickness benefits during the employer period.

In Denmark, sickness benefits are payable by the employer during the first two weeks, if an employee has been working for that employer for the past eight weeks prior to the absence due to illness and during that period has been working for at least 74 hours.

In accordance with the Act on Employment Contracts, employers in Finland pay wages in full for the first day of illness and for the subsequent nine working days.

In Iceland, all employees have a statutory right to sick pay for a period that depends on their seniority. After one year of employment, an employee is entitled to one month's sick pay in the event of illness.

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In Norway, an employee is entitled to sickness benefits from his employer if he has been employed with him for at least two weeks. The employer period is 16 days.

In Sweden, a statutory sick pay is payable for the first 14 days of a period of illness, with the exception of the first day of illness. The sick pay corresponds to the sickness benefit amount.

Sick Pay According to Collective Agreements and the Like

As a supplement to the statutory employer or sick-pay period, wages/salaries are payable during illness according to collective agreements or to special rules governing the public sector. During that period, daily cash benefits will normally be payable to the employer.

In Denmark, public-sector employees will be paid in full during the entire period of illness. Officials in the private sector will typically be paid in full during illness, whereas other private-sector employees will be paid during for instance the first four weeks of their absence due to illness. In some cases they will not be paid in full but only up to a maximum amount fixed in the collective agreements.

In Finland, wages/salaries shall be paid in full according to collective agreements for a period of one to three months varying from one industry to another.

In Iceland, employees are ensured pay during illness through collective agreements for a period depending on their seniority, which is longer than the statutory minimum. Employees working for Central and Local Government are covered by the most favourable rules in that they may be paid in full for an entire year, if they have been employed for more than 15 years. Employers in the private labour market are obliged to pay 1 per cent of the wage sum to a supplementary daily cash benefit scheme that is administered by the various unions. From those schemes, daily cash benefits are payable after the employer period, usually for 120-150 days. Due to these schemes, daily cash benefits from the public sickness insurance scheme are of little importance.

According to agreement, all public employees in Norway are paid in full during illness by way of a supplement to the sickness benefit to compensate for the difference between the maximum amount of sickness benefit and the normal wages. Similar rules apply in the private labour market in a number of cases.

In Sweden, all employees in the public sector are paid according to collective agreements as a supplement to the sickness benefit. The sickness benefit corresponds to 80 per cent of the income from work up to the income ceiling,

and employers pay an additional 10 per cent, so that all employees in that category will receive 90 per cent of their wages/salaries during the first 15-90 days. Those earning more than the income ceiling will be compensated at an amount that corresponds to 90 per cent of their earnings. In cases where the sickness period exceeds 90 days, public employees shall be compensated by their employers at 80 per cent of their wages/salaries, although the employee in question may earn more than the ceiling amount. Also officials in the private sector are ensured compensation from their employers through collective agreements. It applies to this category that an employer pays a compensation that equals 65 per cent of the part of the earnings that exceeds the income-ceiling amount of the sickness insurance scheme.

Sickness Benefits

After the statutory employer period, sickness benefits shall be payable by either the public authorities or by the social insurance schemes. People who are not entitled to wages/salaries or sickness benefits during the employer period shall be compensated according to the general rules governing sickness benefits from the beginning of the period of illness.

In Denmark, employees are entitled to sickness benefits from the local authorities, provided they have been active in the labour market for the past 13 weeks prior to their absence and during that period have been employed for at least 120 hours. People who are entitled to unemployment benefits, or have concluded vocational training of a duration of at least 18 months, or have been in work-training schemes with pay, are also entitled to sickness benefits from the local authorities. As to self-employed people, it is a condition that they have been working for at least six months during the past 12 months, of which at least one month's work must have been carried out immediately prior to the illness. The compensation is 100 per cent of the income, but a maximum of DKK 3 016 per week.

For self-employed people, the sickness benefit is calculated on the basis of their income from work, and just as for wage earners, it must not exceed DKK 3 016 per week.

In Finland, sickness benefits shall be paid both to those in work and those who work for themselves (e.g. work in the home or study). No income-related sickness benefits shall be payable if the annual income from work amounts to less than EUR 980. Up to an annual income of EUR 25 515, the compensation rate is 70 per cent, after which, the compensation is gradually reduced. People with low or no incomes are granted minimum sickness benefits after a qualifying period of 55 days.

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As mentioned above, the public sickness benefit schemes are of little significance in Iceland. Self-employed people have the same right as have wage earners to sickness benefits payable by the public authorities but may also take out insurance against sickness, normally for a period of six months. After such a period, payments may be made by the pension schemes.

In Norway, a condition for being awarded sickness benefits from the National Social Security Fund is that the ill person has been in work for at least four weeks immediately prior to falling ill. The income basis for sickness benefits must amount to at least 50 per cent of the basic amount, corresponding to an annual income of NOK 28 430,50. This income limit does not apply to sickness benefits payable during the employer period. The maximum amount of sickness benefits is NOK 341 166 per year.

Self-employed people have the same right as have wage-earners to sickness benefits if they lose any pensionable income due to lack of working capacity, sickness or injuries. A compensation will be payable from the 17th day of sickness at 65 per cent of the sickness benefit basis. When sickness benefits have been paid for 250 days within the past three years, the entitlement will cease.

In Sweden, one condition for being awarded sickness benefits is that the recipient earns an income of at least 24 per cent of the basic amount, which in 2002 was SEK 37 900. The compensation is 80 per cent but only for an earned income up to SEK 284 250.

Qualifying Periods

The rules governing qualifying periods also vary from one country to another. In Denmark and Norway, there are no qualifying periods for employees if a paid employer period exists. As to self-employed people and people who work freelance, there is a qualifying period of two weeks, which may, however, be reduced by a voluntary insurance. In Denmark, voluntary insurances may be taken out in order for a self-employed person to be entitled to sickness benefit from the first or the third day of absence. The insurance premium is higher for self-employed people, who wish to receive daily cash benefits from the first day of absence, than it is for self-employed people, who wish to receive daily cash benefits from the third day of absence. For self-employed people, who have taken out insurance, the daily cash benefits will amount to at least two thirds of the maximum amount of DKK 3 016 per week. Self-employed people may take out an insurance (at a higher premium) that entitles them to the full maximum amount.

In the Finnish sickness insurance scheme, there is a qualifying period of the day on which a person falls ill and the following nine working days. This period equals the statutory period with sick pay for employees. In Finland, self-employed people are entitled to sickness benefits according to the same principles as apply to wage earners.

The difference is, however, that where wage-earners are entitled to the statutory wages during the qualifying period of the sickness insurance scheme, self-employed people do not receive any benefits for the day on which they fall ill and the following nine working days.

Farmers, who are insured in accordance with the Act on Pension to Farmers, are entitled to sickness benefits from and including the fifth working day following the day on which they fall ill.

In Iceland, the public insurance scheme contains a qualifying period of two weeks.

In Sweden, there is a minimum of one qualifying day, both in connection with sick pay and sickness benefits. There may, however, be no more than 10 qualifying days in a period of 12 months. Self-employed people may choose a qualifying period of one, three or 30 days, depending on the nature of the insurance they have taken out.

Miscellaneous

In Denmark, Finland, Iceland and Norway, sickness benefits may normally be payable for a maximum of one year (52 weeks), and a period may consist of several separate sickness benefit periods.

In Denmark, the period may, in certain cases, be prolonged beyond the 52 weeks. In Sweden, there is no time limit for receipt of sickness benefits.

In all the countries, sickness benefits are taxable income.

In Denmark, sickness benefits are paid and managed by the local authorities. Central Government reimburses local authorities their expenditure on sickness benefits for the first four weeks at 100 per cent, while the expenditure after the four weeks and up to and including 52 weeks will be reimbursed at 50 per cent. After 52 weeks, local authorities themselves defray the expenditure on sickness benefits in full.

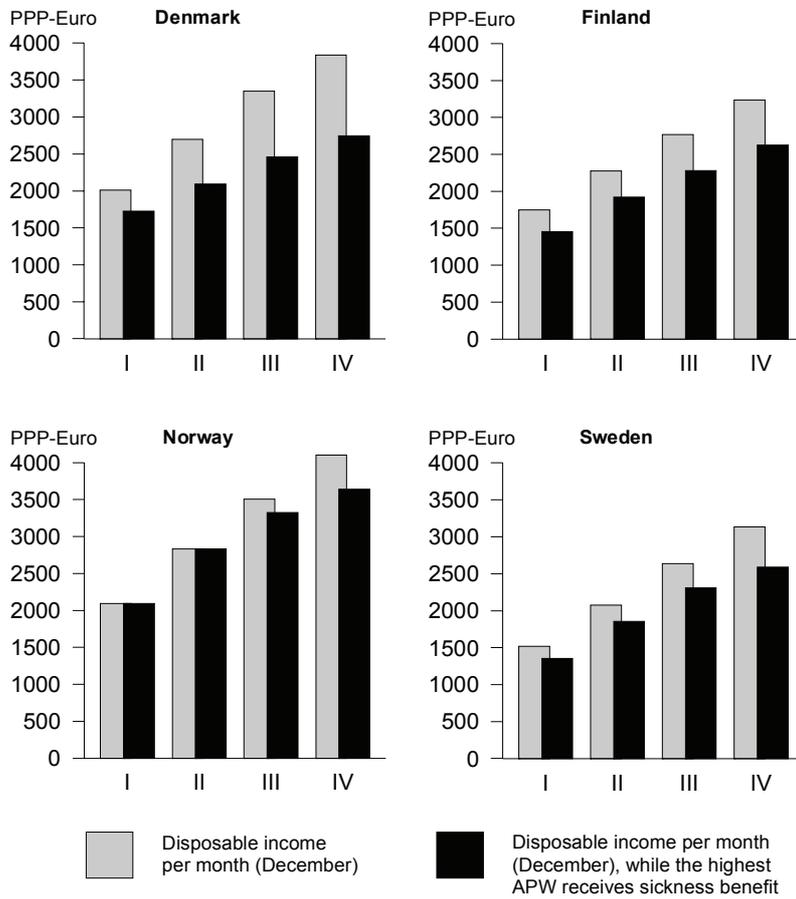
In Finland, sickness benefits are payable by the Social Insurance Institution; in Iceland, by the Social Insurance Scheme; in Norway, by the National Social Insurance Scheme and in Sweden, by the insurance funds.

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Degrees of Compensation

Figure 6.1 shows the disposable income at four different income levels for a childless couple, where both are employed, and where the person earning the most starts receiving sickness benefit. Figure 6.2 shows the disposable income at five different income levels for a single childless person and for a single parent with one child receiving sickness benefits, in per cent of the disposable income from work.

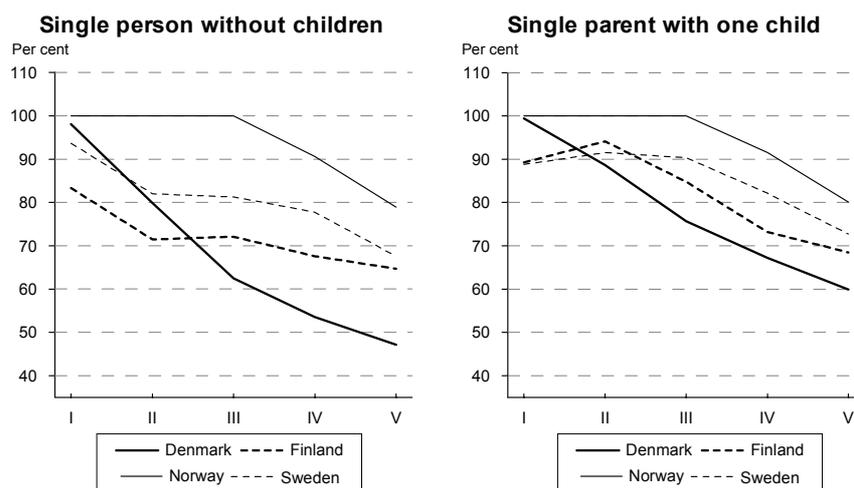
Figure 6.1 Disposable income for a childless couple, 2002



Note:

The income groups I-IV have been calculated on the basis of the average wage of a production worker. The calculation basis is described in Chapter 2.

Figure 6.2 Disposable income while receiving sickness benefit as percentages of disposable income from work, 2002



Note: The income groups I-V have been calculated on the basis of the average wage of a production worker. The calculation basis is described in Chapter 2.

As can be seen from the figures, the compensation levels in connection with illness differ considerably. For single people in the lowest income brackets, compensation is highest in Denmark and Norway and lowest in Sweden and Finland, whereas it for single people in the highest income brackets is lowest in Denmark and highest in Norway and Sweden. For childless couples, the compensation is generally highest in Norway and lowest in Denmark. The differences depend partly on the amount of the daily cash benefits in relation to the income from work (they are highest in Denmark and Norway and lowest in Finland), partly on the maximum amount which is relatively low in Denmark in relation to Sweden and - in particular - to Norway. In addition, it is significant that Finland has no upper limit to the amount of the daily cash benefits. There is, however, only a compensation level of 25 per cent in connection with an annual income exceeding EUR 37 861.

The higher compensation levels in Denmark and Finland for single parents with one child in relation to single childless people are mainly a result of the fact that the price of places in day care institutions decreases when a person starts receiving sickness benefit; apart from that, single parents with one child are also entitled to higher rent subsidies, as the rules governing this subsidy are generally more favourable for families with children than it is for childless families.

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Length of Absence Periods

In Denmark, Finland and partly in Sweden, absence due to illness dropped slightly during the 1990s. There are several reasons for this, among others the increasing rate of unemployment up through the 1990s. Norway and Sweden have the highest degree of absence, which is due to increased employment and a decrease in the unemployment rate. In Sweden and Norway, absence due to illness has increased since 1995. The extent of the absence varies considerable from one country to another; it is least pronounced in Iceland, followed by Denmark, and most so in Norway and Sweden, where the absence in both countries has increased considerable since 1995. In Denmark and Finland, the absence patterns have by and large been unaltered while the absence in Iceland has been declining.

In Table 6.5 the number of days for which sickness benefit has been paid converted into full-time equivalents and in per cent of the labour force have been included. The differences among the countries are substantial, with the fewest full-time equivalents of absence in relation to the workforce in Finland and Denmark and the most in Norway and Sweden. With the exception of Finland, women have the most full-time equivalents of absence.

There are differences among the countries in how the sickness benefit payments are calculated. In some countries sickness benefit is paid for 5 days per week, in other countries for 6 or 7 days. This has been taken into consideration in the calculations. In some countries "part-time illness" also exists, but as this is not registered in the statistics of all the countries, the calculation of full-time equivalents has been made from the number of days receiving sickness benefit regardless of whether the individual has been considered "full-time" or "part-time" ill. As furthermore only days in which sickness benefits will be payable are included, the number of days that can be included varies, as the length of the employer period (in which no sickness benefits shall be payable) varies from one country to another. Besides, the Danish, Norwegian and Swedish data also contains sick days in connection with industrial injuries, while industrial injuries and accidents in Finland are registered in a separate system.

There are certain differences as regards the patterns of long-term absence due to illness (for more than two weeks) in the various countries. This reflects i.a. different practices as to when long-term ill people start receiving benefits from other parts of the social system. This applies for instance to the transition to rehabilitation benefit or anticipatory pension.

In Sweden, there is no limit to the period in which sickness benefit is payable, and consequently the benefit may be payable for more than one

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year of illness. In some cases, this may also occur in Denmark. The approximately 5 per cent in Norway of over 360 days also cover people who are ill for more than one year (365 days). They are not entitled to sickness benefit for more than one year, but will qualify for a rehabilitation benefit.

Table 6.4 Employees' calculated absence due to illness for at least one week as percentages of all employees, 1995-2002¹⁾

| | Denmark ²⁾ | Finland | Iceland | Norway | Sweden |
|-------------|-----------------------|---------|---------|--------|--------|
| <i>1995</i> | | | | | |
| Men | 1.4 | 2.0 | 1.3 | 2.2 | 2.2 |
| Women | 2.2 | 2.3 | 2.1 | 3.1 | 3.4 |
| Total | 1.7 | 2.1 | 1.7 | 2.6 | 2.7 |
| <i>2000</i> | | | | | |
| Men | 1.4 | 2.2 | 1.1 | 3.4 | 2.6 |
| Women | 2.0 | 2.5 | 1.5 | 4.7 | 4.9 |
| Total | 1.7 | 2.4 | 1.3 | 4.0 | 3.7 |
| <i>2001</i> | | | | | |
| Men | 1.4 | 2.1 | 0.7 | 3.2 | 2.7 |
| Women | 1.9 | 2.4 | 2.0 | 4.5 | 5.1 |
| Total | 1.7 | 2.2 | 1.3 | 3.8 | 4.0 |
| <i>2002</i> | | | | | |
| Men | 1.4 | 2.1 | 1.0 | 3.3 | 3.0 |
| Women | 2.2 | 2.6 | 1.4 | 4.8 | 5.1 |
| Total | 1.7 | 2.4 | 1.2 | 4.0 | 4.1 |

1 The figures were calculated on the basis of labour-force surveys as an average of the censuses.

2 15-66 year-olds.

Table 6.5 Number of recipients of sickness benefits calculated as full-time equivalents, total and as percentages of the labour force broken down by sex, 2002

| | Denmark | Finland | Norway | Sweden |
|-------------------------------------|---------|---------|---------|---------|
| <i>Total</i> | | | | |
| Men | 32 300 | 23 700 | 53 908 | 98 947 |
| Women | 40 300 | 25 200 | 71 394 | 159 670 |
| Men and women | 72 600 | 48 900 | 125 302 | 258 888 |
| <i>Per cent of the labour force</i> | | | | |
| Men | 2.2 | 1.8 | 4.3 | 4.3 |
| Women | 3.0 | 2.0 | 6.5 | 7.5 |
| Men and women | 2.6 | 1.9 | 5.4 | 5.6 |

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Table 6.6 Number of terminated sickness benefit periods of at least 15 days (per cent), 2002

| | Denmark | Finland | Norway ¹⁾ | Sweden |
|----------------------|---------|---------|----------------------|--------|
| <i>Men</i> | | | | |
| Duration (days) | | | | |
| 15-21 | 20.9 | 24.5 | 20.3 | 17.0 |
| 22-29 | 14.3 | 16.2 | 12.2 | 15.8 |
| 30-59 | 25.1 | 26.6 | 24.9 | 22.2 |
| 60-89 | 10.7 | 10.5 | 11.9 | 9.9 |
| 90-119 | 6.4 | 5.1 | 6.6 | 5.7 |
| 120-149 | 4.1 | 2.8 | 4.4 | 3.6 |
| 150-179 | 2.8 | 1.9 | 3.1 | 2.7 |
| 180-359 | 8.6 | 9.7 | 11.1 | 8.5 |
| 360+ | 7.2 | 2.8 | 5.4 | 14.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>Women</i> | | | | |
| Duration (days) | | | | |
| 15-21 | 19.4 | 26.8 | 19.4 | 16.2 |
| 22-29 | 12.6 | 17.0 | 12.0 | 14.7 |
| 30-59 | 25.0 | 29.4 | 25.1 | 22.4 |
| 60-89 | 11.3 | 9.7 | 12.6 | 10.5 |
| 90-119 | 6.4 | 4.1 | 7.3 | 6.1 |
| 120-149 | 4.0 | 2.3 | 4.7 | 3.9 |
| 150-179 | 2.9 | 1.5 | 3.5 | 2.8 |
| 180-359 | 9.5 | 7.5 | 10.7 | 8.3 |
| 360+ | 8.9 | 1.6 | 4.8 | 15.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>Men and women</i> | | | | |
| Duration (days) | | | | |
| 15-21 | 20.1 | 25.8 | 19.8 | 16.5 |
| 22-29 | 13.4 | 16.7 | 12.1 | 15.1 |
| 30-59 | 25.0 | 28.2 | 25.0 | 22.3 |
| 60-89 | 11.0 | 10.1 | 12.3 | 10.2 |
| 90-119 | 6.4 | 4.5 | 7.0 | 5.9 |
| 120-149 | 4.1 | 2.5 | 4.5 | 3.8 |
| 150-179 | 2.9 | 1.7 | 3.3 | 2.8 |
| 180-359 | 9.1 | 8.5 | 10.9 | 8.4 |
| 360+ | 8.1 | 2.1 | 5.0 | 14.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

1 The figures for Norway include the sickness benefit periods for all groups of sickness benefit recipients. For employees, only periods of at least 17 days have been registered. For other groups, all sickness benefit periods have been included. These were mainly payable from and including the 15th day of illness.

Men and women's absence due to illness shows a rather unequal pattern in the various countries. In general, men have the highest absence rate as to the long periods of absence, with the exception of Denmark, where women have the longest periods of absence of more than 360 days.

Daily Cash Benefit in the Event of Industrial Injury or Work-Related Illness

In all five countries, benefits are payable in the event of industrial injuries or occupational diseases. The short-term benefits may be sickness or equivalent benefits.

In Finland, industrial injury benefits are payable, usually equivalent to the affected person's normal wages.

Services

It is a common trait of the Nordic countries that they have a well-established service network for both prevention and treatment of diseases. It is, however, an area that varies somewhat from one country to another.

In Denmark, Finland and Sweden, local and/or county authorities are responsible for the organization of the health sectors, while it in Iceland is Central Government. In Norway, Central Government is responsible for the specialized health sector (first and foremost the hospitals) whereas local authorities are responsible for the primary health sector. In the present system within the primary health sector everyone is attached to a specific general practitioner, as is the case in Denmark.

Occupational health services have been established in Denmark, Norway and Sweden. The purpose of these services is to initiate preventive measures and exercise health control within the framework of the individual work places. In Finland, there is also a statutory occupational health service, which is responsible for preventive measures. This service may be supplemented by voluntary schemes, which may be preventive measures or general treatment of illness, subsidized by the sickness insurance scheme. For the statistical data on this area, please see the NOMESCO publication *Health Statistics in the Nordic Countries*, which can be downloaded from www.nom-nos.dk.

Hospitals

- The Hospital Sector is Principally a Public Matter

In all the Nordic countries, there are general hospitals with outpatient clinics/policlinics and emergency wards. There are also highly specialized hospitals, psychiatric hospitals and, in some of the countries, hospitals for long-term care. The hospitals are mainly run by Central Government, the counties, or the municipalities, but there are also a few private hospitals.

It is very difficult to obtain comparable data in respect of the capacity of the health services in the Nordic countries, as the organization of this area varies considerably from one country to another. There is, however, a general tendency towards the length of hospitalization becoming still shorter and towards more and more patients being treated at the outpatient clinics.

In all the countries, there has been a tendency towards shutting down psychiatric hospitals and improving treatment of psychiatric patients in their own environments instead.

Medical Treatment, Etc.

- Preventive and General Medical Treatment Takes Place Outside of Hospitals

In the Nordic countries, general (primary) medical treatment takes place outside of hospitals. Various forms of preventive health care measures are furthermore linked to the primary health services.

In Denmark, general medical treatment is provided solely by self-employed general practitioners, fully financed and according to agreements with the public authorities. In Norway, about 75 per cent of the general medical treatment is provided by self-employed general practitioners. This only applies to a slight degree in the other Nordic countries. It is thus estimated that self-employed general practitioners perform about 20 per cent of the general medical treatment in Sweden. About 20 per cent of the general medical treatment as well as treatment by specialists are in Finland performed by self-employed doctors. Doctors employed by the public authorities perform the remaining part at public health centres.

In Finland and Iceland, health centres in sparsely populated areas may be equipped with wards.

Specialist treatment is available in all the countries. It is performed by specialists according to agreements with the public authorities. These services are provided according to either general or specific rules.

Due to the large differences from one country to another in the organization of the primary health sector, it is very difficult to obtain comparable data concerning the number of medical visits per inhabitant.

Home nursing is available in all the countries, both to families and children and to the elderly and the disabled.

In all five countries, pregnant women and infants are offered public health care. In addition, all the countries provide school health care schemes. Most children are immunized according to the recommended immunization programme. Screening programmes, to detect e.g. breast cancer, etc., exist to a certain degree in all the countries. In Finland and Iceland, the health centres perform these tasks.

In all five countries, subsidies are payable for transport expenses in connection with illness.

Dental Treatment

- Children and Youth Entitled to Dental Treatment Free of Charge

Dental treatment is a well-developed service in all the Nordic countries. With the exception of Iceland, treatment of children and youth is performed at public clinics. In all the countries, treatment is completely or partly free of charge.

Dental treatment of adults is mainly performed by self-employed dentists.

As from December 2002, the entire Finnish population is entitled to dental treatment, and people may choose between municipal and private dental treatment. The sickness insurance fund reimburses the expenditure on private treatment. The amount that the patients have to pay themselves for municipal dental treatment is smaller than that payable for private treatment.

In Sweden, the counties organise the public dental care scheme.

Expenditure on and Financing of Cash Benefits and Services in Connection with Illness

Differences and Similarities in the Expenditure on Illness

There are certain differences in the expenditure on illness in the Nordic countries measured in PPP per capita, where Finland spends the least and Norway the most.

In respect of expenditure on paid absence due to illness, Norway spends considerably more than the other Nordic countries, measured in PPP per capita. This is mainly due to the amount of the sickness benefits (cf. Table 6.3), but the low unemployment rate in Norway also affects the absence due to illness.

As regards the expenditure on services (medical treatment), measured as PPP per capita, it is lowest in Finland and highest in Norway.

What influences the expenditure on medical treatment is patients' payment of user charges for medical treatment and medicine, which is highest in Finland.

Another influential factor is the grey zone between the health sector and the treatment of the elderly and the disabled, which is organized in somewhat different ways in the various countries.

Changes in the Social Expenditure on Illness from 2001 to 2002

In Denmark, the expenditure on sickness benefits defrayed by the local authorities increased from 2001 to 2002. The increase was largely due to an increase in the average duration of sickness-benefit periods, while the number of sickness benefit recipients only increased to a limited extent. The expenditure on services in the health sector continued to increase, and from 2001 to 2002, the expenditure increased by 5.6 per cent. In particular the expenditure on medicine and the hospital sector increased.

In Finland, the expenditure on sickness increased by 6 per cent. The expenditure on sickness benefits increased by 13 per cent due to an increase in the number of recipients by 19 600 people, equalling 6.5 per cent. The expenditure on medicine increased by 12 per cent, on the primary health sector by 6 per cent and on specialized treatment by 5 per cent.

ILLNESS

Table 6.7 Expenditure on and financing of cash benefits and services in connection with illness, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|---------|---------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, millions</i> | | | | | |
| A. Paid sick leave | 13 209 | 1 739 | 12 538 | 49 421 | 55 951 |
| Of which: | | | - | | |
| a. General sickness benefit | 9 789 | 603 | 800 | 26 096 | 40 959 |
| b. Daily cash benefits in employer period | 3 420 | 984 | 11 432 | 23 325 | 13 500 |
| c. Special insurance in the event of industrial injury or occupational disease | - | 125 | 306 | - | 1 492 |
| B. Other | 421 | - | - | - | 68 |
| Cash benefits, total | 13 630 | 1 739 | 12 538 | 49 421 | 56 019 |
| <i>Services, millions</i> | | | | | |
| Services, total | 69 152 | 7 140 | 50 953 | 84 461 | 141 389 |
| Total expenditure, millions | 82 782 | 8 879 | 63 491 | 133 882 | 197 408 |
| Expenditure as percentage of the GDP | 6.1 | 6.4 | 8.2 | 8.8 | 8.4 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 90.8 | 68.1 | 79.9 | 60.1 | 71.5 |
| - Employers | 4.4 | 22.7 | 20.1 | 30.5 | 27.9 |
| - The insured (contributions and special taxes) | 4.8 | 9.2 | 0.0 | 9.4 | 0.5 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Millions | 4 132 | 489 | 3 992 | .. | 12 367 |
| - Per cent | 5.3 | 5.8 | 6.7 | .. | 6.7 |

Table 6.8 Expenditure on cash benefits and services in connection with illness, in PPP 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| Cash benefits, total per capita | 261 | 273 | 388 | 1 002 | 584 |
| Cash benefits per person aged 16-64 years | 401 | 407 | 630 | 1 563 | 920 |
| Services, total per capita | 1 325 | 1 119 | 1 575 | 1 713 | 1 474 |
| Illness, total per capita | 1 586 | 1 392 | 1 963 | 2 715 | 2 058 |

ILLNESS

In Iceland, the expenditure on illness increased by 6.7 per cent at constant prices. The increase in the expenditure on cash benefits was 4.6 per cent, while it was 7.2 per cent on services. This increase can first and foremost be explained by pay increases, both in respect of cash benefits and services.

In Norway, the expenditure on cash benefits in connection with illness increased by 11 per cent from 2001 to 2002 at constant prices. In 2002, the expenditure on holiday allowances was included in the calculations of employers' contributions to the sickness benefits. Without this change, the increase in the payments of sickness benefits would have been 8.7 per cent. The increase in the expenditure on cash benefits is a result of both an increase in the absence due to illness and the income basis, on which the calculations of the benefit amount are based. The number of sickness benefit days, which the social security scheme has paid per employed wage earner increased from 12.9 in 2001 to 13.5 in 2002, corresponding to an increase per employee of about 5 per cent.

As from 2002, Central Government has taken over the public hospitals. At the same time, they have been ordered to comply with the Accounting Act. A new chart of accounts and new tasks, which have been assigned to the health providers, result in a break in the time series. The expenditure on services in 2002 is consequently not comparable with similar figures for 2001.

In Sweden, the expenditure on sickness increased by 6.7 per cent at constant prices. The majority of the expenditure increase was a result of the continued increase in absence due to illness.

User Charges Payable for Health Services

The rules governing user charges payable for health services differ somewhat in the Nordic countries. In Finland, Norway and Sweden, there are rules governing maximum payment of user charges for health services. Such rules also exist in Iceland, but patients are only partly free from paying. In Denmark, such rules apply only to medicine.

Maximum User Charges

In Denmark, a new subsidy system based on need was introduced on 1 March 2000, where the subsidy granted depends on an individual's consumption of subsidized medicine. In 2002, subsidies to a consumption of medicine of less than DKK 515 per year shall not be granted, after which the subsidy will gradually be increased to 85 per cent of expenses exceeding DKK 2 900 per year. User charges must not exceed DKK 3 735 per year.

In Finland, the sickness insurance fund covers the exceeding amount if the total amount of user charges payable for medicine amounts to EUR 594 per year. Transport expenses in connection with treatment will be reimbursed in full, if they exceed EUR 157 per year.

In Iceland, the maximum user charge payable for out-patient treatment at hospitals in the primary health care sector and at specialists' is ISK 18 000 per year for people in the age group 18-66 years and ISK 6 000 for children under 18 years. For pensioners between 67 and 69 years who receive full basic pension, and for pensioners who are 70 years old or more and recipients of anticipatory pension and people who have been unemployed for more than six months, the maximum user charge payable is ISK 4 500. When a patient reaches the maximum amount, he only has to pay one third of the rates. There are also special rules governing payment for physiotherapy, occupational therapy and other therapeutic treatment.

In Norway, the maximum user payment for medical treatment, psychological treatment and travel expenses in connection with examination and treatment as well as medicine was NOK 1 350 in 2002. Other expenses are covered by the State. The Social Security Scheme financed about 60 per cent of the total expenditure on pharmaceutical products in 2002.

In Sweden, there is a maximum user charge per year for general medical treatment, physiotherapy, etc., of SEK 900 and another maximum user charge for medicine of SEK 1 800.

In case one or both parents jointly have several children under 18 years, these children are free from paying user charges if the purchase of pharmaceutical products for them in total exceeds the maximum amount fixed for user charges. As to the municipal care schemes, there are no government rules concerning maximum user charges.

Medical Treatment, etc.

In Denmark, medical treatment and home nursing are free of charge. A small group of people who is at liberty to choose doctors freely must pay a minor amount for medical treatment. In the other Nordic countries, patients pay an amount for treatment themselves.

In Finland, the amount will not exceed EUR 22 per year or EUR 11 for the first three treatments in an outpatient clinic in the primary health sector. For temporary home nursing, EUR 11 is payable per visit by a doctor and EUR 7 per visit by a nurse. For continuous care in the home, an amount is payable, which depends both on the extent of the care and on a patient's financial situation.

ILLNESS

In Iceland, payment for medical treatment varies. As a rule, children and pensioners pay only one third of the normal user charges. For a visit to a specialist, user charges normally vary from ISK 2 473 to ISK 18 000, and for children and pensioners from ISK 938 to ISK 18 000. For visits to the primary health-care sector, ISK 400 is normally payable, and children and pensioners pay ISK 200. Home nursing is free of charge.

In Norway user charges payable for medical visits vary. In connection with visits to a general practitioner and visits to an emergency medical service during the day, user charges are NOK 114, whereas charges are NOK 201 for treatment by a specialist. For treatment outside of the daytime hours by the medical emergency service, user payment is NOK 175. No user charges are payable for home nursing.

In Sweden, user charges vary from one county to another from SEK 0 to SEK 250. For medical treatment and for visits to a physiotherapist, psychologist, chiropractor, etc., user charges are between SEK 50 and SEK 250. Usually, user charges are highest in connection with visits to a specialist (from SEK 150 to SEK 250), but visits to general practitioners cost between SEK 100 and SEK 150.

Dental Treatment

In all the countries, dental treatment of children and young people is completely or partly free of charge. The rest of the population pays all costs for treatment themselves, or is reimbursed a small part of these costs.

In Denmark, patients' payments amounted in 2002 to about 62 per cent of the total costs, including expenses for the municipal dental care schemes for children and young people, which are free of charge.

In Finland, adults' payment of user charges for municipal dental treatment made up 23 per cent of the expenditure. Treatment of children under 19 years is free of charge. The sickness insurance fund reimburses part of the costs for dental treatment in the private sector. On average, patients' user charges totalled 62 per cent of the expenditure.

In Iceland, people over 67 years and disabled people are reimbursed between 50 and 100 per cent of the expenses, depending on their incomes. Children under the age of 17 are reimbursed between 60 and 65 per cent of the expenses.

In Norway, adults usually pay the full amount for dental treatment. Young people under the age of 18 and certain other groups, such as the elderly, the long-term ill and the disabled, will be treated free of charge.

In Sweden, everyone aged 20 or more will receive a subsidy from the dental insurance scheme. In 2002, this subsidy amounted to 15 per cent of

the total costs. Elderly and disabled people, who are covered by the local authorities' treatment schemes, pay the same as for any other outpatient treatment. This cost will amount to no more than SEK 900 per year for medical and dental treatment, after which all other treatment will be free of charge.

Medicine

In Denmark, patients' share of the costs for medicine, including over-the-counter products, amounted to about 40 per cent. The National Health Insurance Service (the counties) financed about 56 per cent, and the municipalities financed the remaining 4 per cent of the expenses.

In Finland, user charges amounted to about 58 per cent of the expenses for medicine with basic reimbursement. For specially subsidized medicine, patients pay 21 per cent or 3 per cent.

In Iceland patients pay a certain amount for prescribed medicine up to a maximum amount. The calculated user charges for this was 36.9 per cent in 2002, but pharmacies may give a number of discounts, for which reason the actual user charges cannot be calculated.

In Norway, user charges for reimbursed medication were in 2002 36 per cent of the subscription amount up to NOK 360 per prescription. Patients' actual user payment for pharmaceuticals (including pharmaceuticals that are not reimbursable) was 32 per cent in 2002.

In Sweden, user charges for subsidized medicine amounted to 22.5 per cent of the total expenses for pharmaceuticals.

Hospitalization

In Denmark, Iceland and Norway, hospitalization is free of charge. In Finland, a maximum of EUR 26 per day is payable for short-term hospitalization and EUR 12 per day for hospitalization in psychiatric wards. Besides, EUR 15 are payable for each medical visit. A maximum of SEK 80 per day is payable in Sweden, irrespective of the length of the hospitalization.

Chapter 7

Old Age, Disability and Survivors

Both in the Nordic and in other European countries, the expenditure on the elderly and the disabled forms a substantial part of the total social expenditure. The relatively small part of these expenses spent in the Nordic countries is first and foremost a result of enhanced efforts being made in respect of families, children, and unemployed people.

Table 7.1 Expenditure on the elderly, the disabled and survivors as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|------|---------|------|-----------------|------|
| Denmark | 49,0 | Austria | 56,0 | Italy | 65,3 |
| Finland | 48,7 | Belgium | 49,6 | Luxembourg | 51,9 |
| Iceland | 43,4 | France | 47,2 | The Netherlands | 49,8 |
| Norway | 46,1 | Germany | 48,3 | Portugal | 51,0 |
| Sweden | 50,4 | Greece | 54,6 | Spain | 51,6 |
| | | Ireland | 28,8 | United Kingdom | 53,9 |

Note: See Table 4.1.

The Structure of this Chapter

While the other chapters have followed the chapter structure of the ES-SPROS, the descriptions of the elderly, the disabled and survivors have in this report been gathered in one chapter. As the rules in the Nordic countries governing pensions are largely identical and more often than not based on the pension systems for the elderly, it was considered most expedient to describe the pension systems together. The expenditure on home nursing has, where possible, been included in the chapter on illness. As to Sweden, it has only partly been possible to separate home nursing from the rest.

The structure of this chapter is as follows: first, a description is given of retirement from the labour market for people aged 50-65/67 years; then follows a general description of pensioners' incomes followed by a general description of the pension system as well as a description of cash benefits and services provided to the elderly, the disabled and survivors, respectively. At the end of this chapter, there is an overall description of the social expenditure on the elderly, the disabled and survivors.

Early Retirement from the Labour Market

A significant question in relation to the expenditure on the elderly and the disabled is the length of time in which people in active employment remain in the labour market.

Figure 7.1 shows the employment rate for men and women between the ages of 50 and 66 in 2002, and Figures 7.2 and 7.3 show the development in the employment rate for 60 and 64 years-old men and women, respectively, for the period 1990-2002.

As it appears from Figure 7.1, men have a higher employment rate in general than women. In all the Nordic countries, the employment frequency declines markedly with age in respect of both men and women. There are, however, also large differences from one country to another. Both in respect of men and women, the highest employment rate is found in Iceland, and the lowest in Finland. These differences are mainly to be found in different occupational structures, with the resulting different patterns of wear in the labour force, differences in the unemployment situation in the 1990s, as well as differences in the possibilities of withdrawing early from work with public income-substituting benefits.

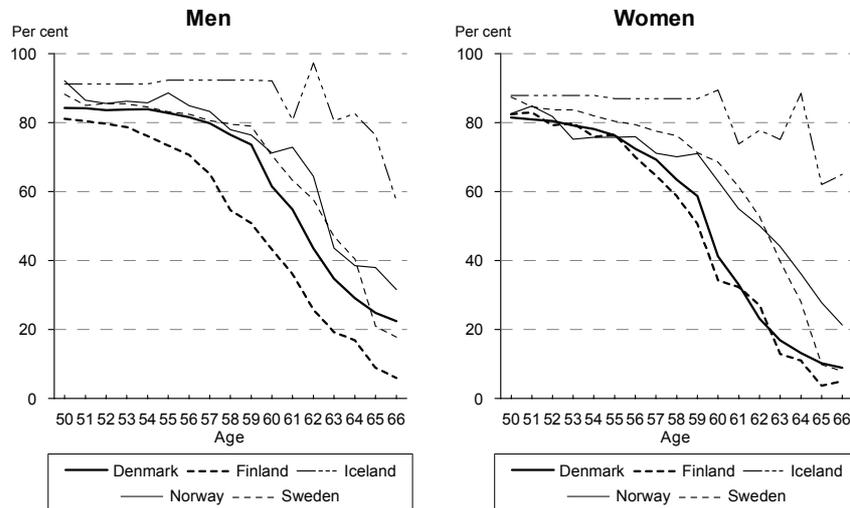
Early retirement from the labour market is most common in Denmark and Finland. Those two countries have the most comprehensive public retirement schemes, and the unemployment rate has been relatively high for a long period of time. Early retirement is least common in Norway and especially so in Iceland, where there are no other public retirement schemes than health-related disability/anticipatory pension as well as a very limited unemployment problem. Sweden holds a position in the middle, both in respect of public retirement schemes and the extent of the unemployment in the 1990s.

There are distinct differences amongst the countries as to the employment rate for the 60 and 64 years old men and women, with the highest rate of employment found in Iceland and the lowest in Finland, followed by Denmark.

OLD AGE, DISABILITY AND SURVIVORS

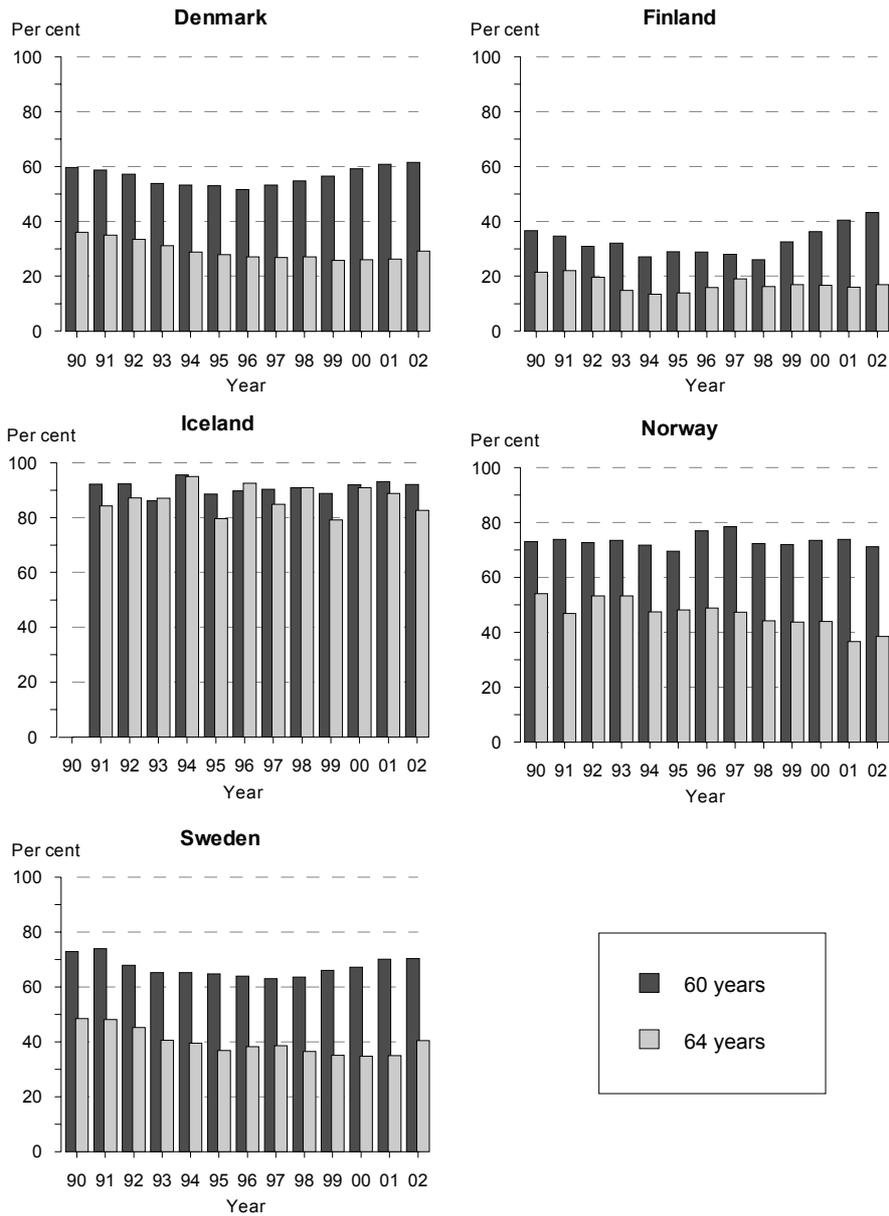
The development during that same period also differs from one country to another. While there was a decline in the employment rate for men in Denmark and Sweden until the middle of the 1990s, recent years have seen an increase. In Finland, the employment rate for men, however, generally declined until 1998, but is again increasing. As regards women, recent years have seen an increase in the employment rate for the 60 year-olds in Denmark, Finland and Sweden, while the employment rate for the 64 year-olds shows a somewhat uneven pattern.

Figure 7.1 People in gainful employment as percentages of the population, broken down by age and sex, 2002



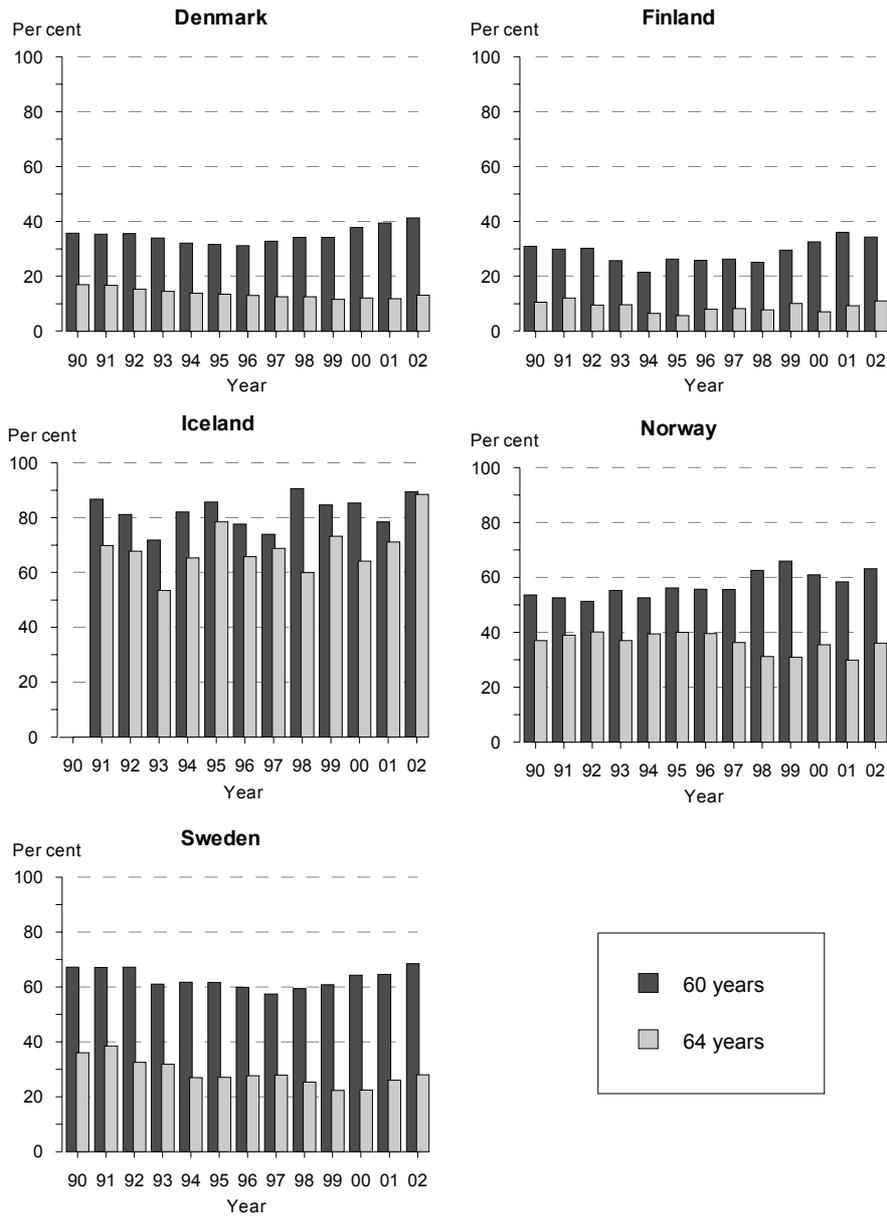
OLD AGE, DISABILITY AND SURVIVORS

Figure 7.2 Men of the ages 60 and 64 years in gainful employment. Per cent, 1995-2002



OLD AGE, DISABILITY AND SURVIVORS

Figure 7.3 Women of the ages 60 and 64 years in gainful employment. Per cent, 1995-2002



Note concerning Denmark: Calculation method changed as from 2002.

Pensioners' Income

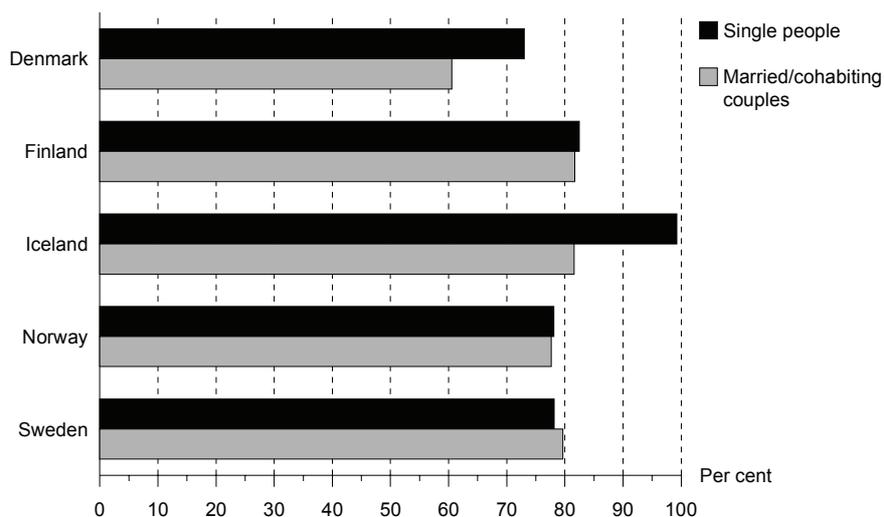
Figure 7.4 shows the disposable income for families, where the key person, i.e. the person earning the most, is over 65/67 years, as a percentage of the disposable income for single people and couples under 65/67 years. As in the other chapters, equivalent incomes have been used. The disposable income is the factor income (income from work + capital income) plus social cash benefits less tax. A different family definition is used in Iceland, where children under the age of 15 living at home count as independent families in the statistics, which is not the case in the other four countries, and consequently the result in Figure 7.4 will be different.

As can be seen from the figure, families over 65/67 years have a lower disposable income on average in all the countries than have families under 65/67 years. This applies to both single people and couples. Single people in Iceland do, however, have a slightly higher income than is the case in the other countries. This should be seen in relation to the fact that a different family definition is used, based on a national register. Besides, the actual pensionable age is very high in Iceland.

Especially in Denmark and Iceland, single people over 65/67 years have a relatively higher disposable income than have couples.

As to single people over or under 65/67 years, the differences in the average disposable incomes are least significant in Iceland and most significant in Denmark. As to couples, the difference is most significant in Denmark and least so in Iceland. This is due to the employment pension being relatively small in Denmark. Income from supplementary pension schemes, included in Figure 7.4 (but not in Figure 7.5), probably plays a more important part in Denmark and Norway than it does in Sweden and Finland. Apparently, the schemes are not sufficiently developed to level off the considerable differences in the statutory employment pension schemes.

Figure 7.4 Disposable incomes for single people and couples over 65/67 years as percentages of the disposable incomes for single people and couples under 65/67 years, 2001



Pensions

The purpose of pensions is to guarantee all citizens a certain level of income in connection with old age, disability, early retirement from the labour market or loss of provider. In all the countries, pension is payable to the elderly. In addition, there are a number of schemes, which ease the transition to old-age pension: the so-called special old-age pensions.

The various pension types are in this publication divided as follows: Pensions where the health criteria are predominant are described under disability/anticipatory pension. The special old-age pensions cover many different types of pensions, which ease the transition from work to retirement. In respect of the Danish disability/anticipatory pension, it applies that the highest and the intermediate amounts of disability/anticipatory pension are regarded as disability/anticipatory pensions, whereas the ordinary and the increased ordinary disability/anticipatory pension are regarded as special old-age pensions. The Finnish unemployment pensions are included in Chapter 5, Unemployment.

As regards loss of provider, Finland, Iceland, Norway and Sweden have a special survivors' pension payable to surviving spouses and children. In

Denmark, surviving spouses may be awarded ordinary disability/anticipatory pension (special old-age pension) if they comply with the requirements. In all the countries, a pension is payable to children, in Denmark by way of a special child allowance, however.

Pension Structures and Income-Adjustment

A common feature in the pension systems of the Nordic countries is that all citizens have a statutory right to a certain minimum subsistence amount in connection with transition to pension, the so-called minimum pension/basic pension. To this should be added statutory labour-market pensions (employment pensions) to those who have been active in the labour market. Besides, there are supplementary pension schemes laid down by law or by collective agreements. In all the countries, there are also private pension-saving schemes, but they have not been included in the present report.

In Denmark and Iceland, the statutory basic pension may be discontinued, if a recipient has any other income above a certain level, in Denmark, however, only by way of income from work in respect of old-age pensioners.

In Finland and Sweden, reforms have been made to the effect that basic/employment and supplementary pensions form a whole.

The Finnish reform has been implemented, whereas the Swedish reform is still in progress.

Instead of the division between basic pension and employment pension, everyone is guaranteed a minimum pension, irrespective of their previous affiliation to the labour market. People who through employment have accumulated sufficient employment pension shall not be granted the guaranteed minimum pension. Although this basic principle is the same in both the Finnish and the Swedish system, the pension systems are quite different in structure. Besides, the rules governing payment of disability/anticipatory pension have not yet been fixed in the new Swedish pension system.

In Norway, everyone is guaranteed a minimum pension, irrespective of any previous affiliation to the labour market. In order to become entitled to any pension in addition to the minimum pension, a person must have accumulated sufficient employment pension through activities in the labour market.

The employment pension system still remains the same in Denmark, Iceland and Norway, whereas the supplementary pension schemes continue to apply in all the Nordic countries.

The supplementary pension schemes are, however, rather insignificant in Finland.

OLD AGE, DISABILITY AND SURVIVORS

Table 7.2 Pension recipients by type of pension, 2002¹⁾

| | Denmark | Finland | Iceland ²⁾ | Norway ²⁾ | Sweden |
|---|--|--|--|--|---|
| <i>Recipients of:</i> | | | | | |
| Basic pension/ guaranteed minimum pen- sion | All people resi- dent in the country for at least 3 years | All people resi- dent in the country for at least 3 years | All people resi- dent in the country for at least 3 years | All people resi- dent in the country for at least 3 years | All people resi- dent in the country for at least 3 years |
| Length of resi- dence to obtain full basic pen- sion | 40 years |
| Employment pension | Employees | Employees and self-employed people | Employees and self-employed people | Employees and self-employed people | Employees and self-employed people having worked for at least 3 years |
| Supplementary pensions | Statutory for public-sector employees (civil servants) | - | - | Statutory for public-sector employees (civil servants) | - |
| | Public collective agreements | - | - | Public collective agreements | Public collective agreements |
| | Private collective agreements | Private collective agreements | - | - | Private collective agreements |

1 As a result of the concluded EU/EEA Agreement, the rules governing entitlement to basic pension in the Nordic countries have become almost uniform. As a main rule, one must have been resident for at least three years in the country in question between the ages of 15 and 65-67 in order to become entitled to a pension. Periods of employment in an EU Member State, or in another country with which a social-insurance convention has been concluded, may be taken into account in the calculation of compliance with the residence requirement. The rules governing employment pension in Denmark apply only to old-age pensioners.

2 The limit of three years does not apply in case of industrial injuries.

It is not possible to define clearly the borders between the three pension systems, and especially not between employment pensions and supplementary pensions.

In the statistics in the present report, basic pensions in Denmark and Iceland as well as the guaranteed minimum pension in Finland, Norway and Sweden are dealt with as one. Also the new and the old employment pensions are dealt with as one.

The Nordic statistics thus differ somewhat from the European statistics where basic and employment pensions are dealt with together as the first pillar in the pension systems, and the supplementary pensions are referred to as the second pillar, while private pensions, which have not been included in the present report, are referred to as the third pillar of the pension system.

OLD AGE, DISABILITY AND SURVIVORS

Table 7.3 Supplements to the basic pension/guaranteed minimum pension, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|--------------------------------------|-----------------|-------------------|--------|----------------------|
| <i>Child supplement</i> | Ordinary and special child allowance | Yes | Yes | Yes | No ⁶⁾ |
| - Income-tested? | No/Yes ¹⁾ | No | No | Yes | - |
| - Taxable? | No | Yes | No | Yes | - |
| <i>Supplements to people receiving only the basic pension/guaranteed minimum pension</i> | Yes | . ³⁾ | Yes | Yes | Yes/No ⁷⁾ |
| - Income-tested? | Yes | . ³⁾ | Yes | Yes | Yes ⁷⁾ |
| - Taxable? | Yes | . ³⁾ | Yes | Yes | Yes |
| <i>Housing benefit</i> | Yes ²⁾ | Yes | No ⁴⁾ | Yes | Yes |
| - Income-tested? | Yes | Yes | Yes | Yes | Yes |
| - Taxable? | No | No | Yes | No | No |
| <i>Spouse supplement where only one spouse receives pension</i> | No | No | No | Yes | No |
| - Income-tested? | - | - | - | Yes | - |
| - Taxable? | - | - | - | Yes | - |
| <i>Wife/spouse supplement</i> | No | No | No | No | No ⁶⁾ |
| <i>Outside assistance or attendance allowance to disabled people</i> | Yes | Yes | Yes ⁵⁾ | Yes | Yes |
| - Income-tested? | No | No | Yes | No | No |
| - Taxable? | No | No | Yes | No | No |

1 The ordinary child allowance is not income-adjusted as is the special child allowance.

2 Pensioners may qualify for a housing benefit depending on income and size of their accommodation. The benefit is not part of the pension.

3 The old-age pension is totally dependent on the employment pension. People who have either a small or no employment pension are guaranteed a minimum amount. The basic pension is taxable.

4 There are special pension supplements that are not directly linked to the housing expenses, but they are primarily given to pensioners who have high housing costs and who live alone.

5 Usually payable to all pensioners.

6 Since 1990, no new child supplement has been granted, and it will have totally disappeared by the year 2005. The wife supplement has been phased out since 1990 and will only be granted in special cases according to transition rules.

7 Shall only be granted to people with a low employment pension. As from 2001, pension shall be payable according to both the old and the new system.

In Denmark, the employment pension depends solely on the length of the contribution period and the extent of the employment, whereas it in the other countries depends on the pension creditable period and the amount of

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income from work. As mentioned above, the statutory retirement pension in Finland depends on the amount of the employment pension and the supplementary pensions. The basic pension will not be payable if the employment pension exceeds about EUR 998 per month.

Income-substituting benefits, other than pensions, usually entitles recipients to pensions in all the countries in relation to the employment pensions.

In Denmark, the basic amount of the statutory retirement pension is income-adjusted/income-tested on the basis of a recipient's own income. The basic amount of the disability/anticipatory pension is income-adjusted in relation to a household's income. This also applies to the pension supplements and the personal supplements to both old-age and disability/anticipatory pensioners as well as to the special child allowance and housing benefits to pensioners. The remaining benefits payable to pensioners are not income-tested.

In Finland, the statutory retirement pension is completely dependent on the employment pension. The full amount of the statutory retirement pension guarantees a minimum amount to people who receive only a small or no employment pension. The basic pension shall be payable if the employment pension does not exceed EUR 998 per month. Other incomes (other than pensions) do not affect the amount of the statutory retirement pension. The rent subsidies payable to pensioners depend largely on a pensioner's and any spouse's incomes. The value of a pensioner's and any spouse's accommodation is, however, not taken into account, if they are owner-occupiers.

There are no income-tested supplements in general to people who receive basic pensions (cf. Table 7.3), but such a supplement is, however, payable to front veterans who receive a small employment pension or none at all. The extra front supplement is influenced by the same pension incomes, as is the basic pension. All front veterans who participated in the war 1939-1944 or in 1918 are entitled to the front supplement. In 2002, there were 124 719 recipients of the front supplement.

In Iceland, the basic amount payable to old-age and disability/anticipatory pensioners is adjusted both in relation to their own income from work and to half of the income from capital in their households. Similar rules apply to the pension supplement that is also adjusted in relation to one's own employment pension as well as to any spouse's income. As from 2001, only 60 per cent of a disability/anticipatory pensioner's own income shall be included in the adjustment. The aim is to have more disability/anticipatory pensioners participate in the working life. The pension supplement will be stopped completely, if an income exceeds a certain level.

In Norway, old-age pension is income-tested in relation to income from work for pensioners aged 67-70 years. Income testing ceases when a pensioner reaches the age of 70.

The early retirement pension will also be income-tested in relation to income from work over a certain level.

For all pensioners, the basic pension will be fixed according to marital status and the income from work and capital of any spouse.

Married and cohabiting couples are treated equally according to a set of rules.

In Sweden, the housing supplement to pensioners is income-tested. The supplement to people having a low Labour Market Supplementary Pension (ATP) will only be income-tested in relation to the ATP.

Taxation of Pensions

In Denmark, pensioners are taxed according to the same rules as apply to other taxpayers. This is also the case in Iceland. In the other countries, tax rules are especially favourable for pensioners, which means that persons with low pension incomes are not liable to pay tax.

Housing benefits to pensioners, as well as special supplements to disabled persons, are exempt from tax in all the countries, with the exception of Iceland. Child supplements payable to pensioners are exempt from tax in Denmark and Iceland, but subject to tax in Norway.

Number of Pension Recipients

The figures in Table 7.4 do not include child pensioners, widow/widower pensioners or partial retirement pensioners. In respect of Denmark, the total number of pensioners includes recipients of voluntary early retirement benefit (172 394 people) aged 60-66 years, as well as recipients of transition benefit (13 380 people) aged 55-59 years. As the widow's pension has been abolished in Denmark, and widows may instead apply for the ordinary disability/anticipatory pension, the number of pension recipients in Denmark is overestimated in relation to the other Nordic countries.

One reason for the high rates of pension in Finland to the 60-64 year-olds is that public-sector employees are usually pensioned off at the age of 63. Besides, there are several early retirement pension schemes in Finland, such as unemployment pension and an early old-age pension for the 60-64 year-olds, as well as an individual early retirement pension for the 58/60-64 year-olds. There were, moreover, 39 542 people in 2002 aged 56-64 years who received partial retirement pension. Were they to be included in the calculations, 77.6 per cent of the 60-64 year-olds and 27.9 per cent of the 55-59 year-olds would be pensioners.

In Sweden, there were in 2002 5 900 persons aged 61-64 years, who received partial retirement pensions. Were they to be included in the calculations, 40 per cent of the 60-64 year-olds in this group would be pensioners, corresponding to a total of 191 300 persons.

As it applies to all the countries that one may be resident outside of the country in question and still receive a pension, the number of recipients may exceed 100 per cent.

The age and sex compositions of the pension recipients differ somewhat from country to country. Especially as regards the 60-64 year-olds, there are significantly more both men and women who are pensioned off in Denmark and Finland than is the case in Norway and Sweden.

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Table 7.4 Pension recipients by age, in thousands and as percentages of the age group as at December 2002

| | Denmark | | Finland | | Iceland | | Norway | | Sweden | |
|----------------------|---------|----------------------------------|---------|----------------------------------|---------|----------------------------------|--------|----------------------------------|--------|----------------------------------|
| | 1 000 | As per-centage of each age group | 1 000 | As per-centage of each age group | 1 000 | As per-centage of each age group | 1 000 | As per-centage of each age group | 1 000 | As per-centage of each age group |
| <i>Men</i> | | | | | | | | | | |
| 16-39 years | 18 | 2.1 | 16 | 1.9 | 1.4 | 2.7 | 15 | 2.2 | 32 | 2.3 |
| 40-49 " | 24 | 6.4 | 23 | 6.0 | 1.1 | 5.3 | 22 | 6.7 | 39 | 6.6 |
| 50-54 " | 18 | 9.6 | 26 | 12.5 | 0.6 | 6.5 | 17 | 11.4 | 32 | 10.5 |
| 55-59 " | 28 | 14.1 | 41 | 22.4 | 0.6 | 8.5 | 26 | 17.5 | 50 | 15.3 |
| 60-64 " | 75 | 53.0 | 93 | 70.5 | 0.6 | 12.1 | 41 | 41.5 | 81 | 33.9 |
| 65-66 " | 35 | 74.4 | 45 | 103.4 | 0.8 | 42.6 | 22 | 66.1 | 82 | 103.5 |
| 67+ " | 297 | 102.5 | 279 | 104.0 | 13.2 | 98.7 | 258 | 103.5 | 605 | 105.0 |
| Total | 495 | 23.4 | 523 | 25.6 | 18.3 | 16.9 | 400 | 23.5 | 922 | 26.0 |
| <i>Women</i> | | | | | | | | | | |
| 16-39 years | 15 | 1.8 | 12 | 1.5 | 1.8 | 3.6 | 17 | 2.4 | 52 | 3.8 |
| 40-49 " | 27 | 7.3 | 18 | 4.9 | 1.6 | 8.0 | 30 | 9.7 | 68 | 11.8 |
| 50-54 " | 23 | 12.4 | 21 | 10.2 | 0.9 | 10.2 | 26 | 18.0 | 54 | 17.9 |
| 55-59 " | 41 | 21.2 | 36 | 19.6 | 1.0 | 13.8 | 38 | 26.7 | 82 | 25.8 |
| 60-64 " | 100 | 69.2 | 104 | 73.8 | 1.1 | 20.5 | 48 | 47.1 | 104 | 43.7 |
| 65-66 " | 42 | 83.4 | 51 | 104.5 | 0.9 | 47.2 | 23 | 65.3 | 86 | 102.2 |
| 67+ " | 416 | 101.4 | 450 | 103.3 | 16.7 | 100.6 | 368 | 102.8 | 818 | 103.0 |
| Total | 664 | 30.2 | 692 | 31.8 | 24.0 | 21.8 | 550 | 31.0 | 1 264 | 34.4 |
| <i>Men and women</i> | | | | | | | | | | |
| 16-39 years | 33 | 1.9 | 28 | 1.7 | 3.2 | 3.1 | 32 | 2.3 | 84 | 3.0 |
| 40-49 " | 52 | 6.9 | 42 | 5.4 | 2.7 | 6.6 | 52 | 8.2 | 107 | 9.1 |
| 50-54 " | 40 | 11.0 | 47 | 11.4 | 1.4 | 8.3 | 44 | 14.7 | 86 | 14.2 |
| 55-59 " | 69 | 17.6 | 77 | 21.0 | 1.6 | 11.1 | 63 | 22.0 | 131 | 20.5 |
| 60-64 " | 175 | 61.2 | 197 | 72.2 | 1.7 | 16.3 | 88 | 44.3 | 185 | 38.8 |
| 65-66 " | 78 | 79.1 | 96 | 104.3 | 1.7 | 44.9 | 45 | 65.7 | 168 | 102.9 |
| 67+ " | 713 | 101.8 | 729 | 103.6 | 29.9 | 99.8 | 626 | 103.1 | 1 423 | 103.8 |
| Total | 1 159 | 26.9 | 1 215 | 28.8 | 42.2 | 19.4 | 950 | 27.3 | 2 186 | 30.3 |

Old Age

Pensions to the Elderly

- Various Forms of Transition to Retirement

The qualifying age for the basic pension and the guaranteed minimum pension is 65 years in Finland and Sweden and 67 years in Denmark, Norway and Iceland. The qualifying age will be lowered to 65 years in Denmark with effect from 2004.

In Denmark, Finland, Norway and in the old Swedish system, the qualifying age for employment pension is the same as for basic pension, whereas it is 65-70 years in Iceland. In Finland, the general pensionable age for public-sector employees is 63 years, but it is currently being raised successively to 65 years. In the new Swedish pension system, the qualifying age for the employment pension is flexible from the age of 61 years.

The qualifying age for the supplementary and individual pension schemes is 60 years in Denmark.

In all five countries, old-age pension is payable both by way of a basic or a guaranteed minimum pension and of an employment pension.

The pensions are usually adjusted in relation to the general wage and/or price development in the various countries.

In Norway, the Government adjusts the basic amount annually, following negotiations between the State, the unions and the insured's associations.

In Finland and in the old Swedish system, one may be granted a basic pension and/or an employment pension before the statutory pensionable age, but in that case the pension amount will be reduced. Similarly, the pension amount will be higher if retirement is postponed beyond the statutory pensionable age. In Denmark, the employment pension will be increased if it has not been paid out before a pensioner reaches the age of 70. In Norway, people between the ages of 67 and 70 will have their old-age pension means-tested against any income from work, and it is still possible to accumulate further pension points.

Basic Pension/Guaranteed Minimum Pension to the Elderly

In Denmark, Iceland, Norway and in the old Swedish system, the basic pension consists of a basic amount and a supplement.

In Denmark, the basic amount to all pension recipients is adjusted in relation to any income from work they might have. The ordinary pension supplement is adjusted to a pensioner's own and any spouse's total incomes besides the basic pension.

In Finland, a pension reform was implemented in 1996 to the effect that entitlement to basic pension was evaluated in relation to other pension incomes. At the beginning of 1997, the basic amount and the pension supplement were combined into one benefit (guaranteed minimum pension).

In Iceland, the basic/minimum pension is adjusted according to special rules in relation to any other taxable income, such as one's own and any spouse's incomes.

In Norway, the guaranteed minimum pension consists of a basic pension plus a special supplement. The special supplement is payable to people who do not qualify for employment pension, or who receive a very low employment pension. In Denmark and Iceland, on the other hand, a supplement to the basic amount is payable. The amount of the supplement depends on a pensioner's other income and of any spouse's income.

In Sweden, a completely new pension system is gradually being introduced as from 1999. The basic pension, which in the old system was independent of any other income, will be replaced by a guaranteed minimum pension payable to those who either do not qualify for or who receive a very low employment pension. The guaranteed minimum pension will be payable as from 2003.

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Table 7.5 Income for single people and couples, who have never had any income from work, at the time of pensioning, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Single people</i> | | | | | |
| - Basic amount | 4 377 | 487 | 19 990 | 4 436 | 3 032 |
| - Supplement | 4 406 | . | 68 816 | 3 519 | 1 797 |
| - Housing benefit | 1 502 | 263 | - | | 3 314 |
| - Total before tax | 10 285 | 750 | 88 806 | 7 955 | 8 143 |
| - After tax | 7 990 | 750 | 80 129 | 7 955 | 6 928 |
| - After tax in PPP-Euro | 823 | 611 | 712 | 732 | 645 |
| <i>Married couples (both pensioners)</i> | | | | | |
| - Basic amount | 8 754 | 858 | 39 980 | 6 654 | 6 074 |
| - Supplement | 4 112 | . | 95 452 | 7 038 | 2 479 |
| - Housing benefit | 1 759 | 265 | - | - | 3 314 |
| - Total before tax | 14 625 | 1 123 | 135 432 | 13 692 | 11 867 |
| - After tax | 11 858 | 1 123 | 134 334 | 13 692 | 9 776 |
| - After tax in PPP-Euro | 1 221 | 915 | 1 194 | 1 260 | 910 |

1 Supplements to single people include ISK 17 119, which is only payable to people who live alone.

Employment Pension to the Elderly

The significance of the employment pension in respect of the total payment of pensions varies considerably from one Nordic country to another: from being only a small amount in Denmark to being the most important contribution in the other Nordic countries. One condition for being awarded employment pension is in all the countries that the insured person has previously been affiliated to the labour market. In Iceland, the employment pension funds paid out more than what was payable as basic pension by the public authorities in 2002. In Norway, the employment pension is part of the security provided by the National Social Insurance Scheme and is calculated in relation to previous income. In Denmark, a special pension saving scheme (SP) was introduced in 1999, to which all employees and recipients of various transfer incomes contribute. The contribution is 1 per cent of the wage/salary or of the income-substituting benefit. The contributors will, when they turn 67 years (65 years as from 2004) receive a monthly pension from the SP for 10 years. The payment will be individual, depending on the amount of the individual's contribution.

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As it appears from Table 7.6, there are large differences from one country to another as to how many people receive both basic and supplementary pension and how many receive only a basic pension.

Table 7.6 Pensioners receiving old-age pension by way of basic pension/guaranteed minimum pension and employment pension at the end of the years 1995-2002 (1 000)

| | Old-age pensioners, total | | Old-age pensioners who only receive basic/minimum pension | | Old-age pensioners who receive both basic/minimum and employment pension | | Old-age pensioners who only employment pension (new Finnish and Swedish system) | |
|-----------------------------|---------------------------|-------------------------|---|-------------------------|--|-------------------------|---|-------------------------|
| | Total (1 000) | Of whom women, per cent | Total (1 000) | Of whom women, per cent | Total (1 000) | Of whom women, per cent | Total (1 000) | Of whom women, per cent |
| <i>Denmark</i> | | | | | | | | |
| 1995 | 709 | 59.3 | 329 | 75.9 | 380 | 45.0 | .. | .. |
| 2000 | 706 | 58.9 | 244 | 79.9 | 463 | 47.7 | .. | .. |
| 2001 | 709 | 58.7 | 236 | 79.2 | 473 | 48.4 | .. | .. |
| 2002 | 713 | 56.9 | 221 | 72.9 | 489 | 48.9 | .. | .. |
| <i>Finland¹⁾</i> | | | | | | | | |
| 1995 | 804 | 62.3 | 108 | 87.9 | 641 | 58.7 | 55 | 52.9 |
| 2000 | 870 | 61.1 | 90 | 84.3 | 683 | 59.4 | 97 | 51.6 |
| 2001 | 876 | 60.7 | 78 | 84.2 | 430 | 67.5 | 367 | 47.6 |
| 2002 | 890 | 60.4 | 75 | 83.8 | 429 | 67.7 | 385 | 47.7 |
| <i>Iceland</i> | | | | | | | | |
| 1995 | 26 | .. | .. | .. | .. | .. | .. | .. |
| 2000 | 27 | 57.2 | 2 | 68.8 | 25 | 56 | .. | .. |
| 2001 | 28 | 57.1 | 2 | 67.3 | 26 | 56 | .. | .. |
| 2002 | 29 | 54.9 | 1 | 69.0 | 27 | 56 | .. | .. |
| <i>Norway</i> | | | | | | | | |
| 1995 | 625 | 50.5 | 258 | 84.5 | 367 | 41.7 | .. | .. |
| 2000 | 629 | 58.8 | 237 | 86.1 | 392 | 42.3 | .. | .. |
| 2001 | 627 | 58.9 | 226 | 86.7 | 401 | 42.1 | .. | .. |
| 2002 | 624 | 58.8 | 218 | 87.2 | 406 | 43.6 | .. | .. |
| <i>Sweden</i> | | | | | | | | |
| 1995 | 1 590 | 57.1 | 307 | 90.9 | 1 283 | 49.0 | .. | .. |
| 2000 | 1 604 | 56.7 | 226 | 89.4 | 1 378 | 53.3 | .. | .. |
| 2001 | 1 609 | 56.6 | 212 | 88.7 | 1 396 | 51.7 | 0 | .. |
| 2002 | 1 616 | 56.4 | 198 | 88.4 | 1 418 | 52.0 | 0 | .. |

1 The figures comprise people who have been awarded old-age pension before time as well as old-age pensioners under 65 years.

Supplementary Pension to the Elderly

The supplementary pension schemes are, as a rule, based on collective agreements and mainly apply to government and municipal employees. Private-sector employees are covered by these schemes to varying degrees.

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In Denmark, about 80 per cents, and in Norway about 60 per cent of the wage earners are covered, while in Sweden, almost all wage earners are covered by the supplementary pension schemes. In Finland, these pension schemes are insignificant, as there is no upper limit to the amount of the employment pension.

Pension Amounts

Table 7.7 Average payment of statutory old-age pensions per month, 2002

| | KR/EUR | | | PPP-Euro | | |
|-----------------------|--------|--------|---------|----------|-------|-------|
| | Men | Women | All | Men | Women | All |
| Denmark ¹⁾ | 7 627 | 7 112 | 7 414 | 786 | 732 | 764 |
| Finland ²⁾ | 784 | 1 259 | 972 | 637 | 1 024 | 790 |
| Iceland ³⁾ | .. | .. | 111 301 | .. | .. | 1 291 |
| Norway ²⁾ | 8 619 | 11 636 | 9 861 | 793 | 1 070 | 907 |
| Sweden ²⁾ | 7 118 | 10 939 | 8 763 | 662 | 1 018 | 815 |

1 Average payment of statutory old-age pension in January 2002 and calculated payment of own pension by way of ATP in 2002 pr. recipient of statutory old-age pension.

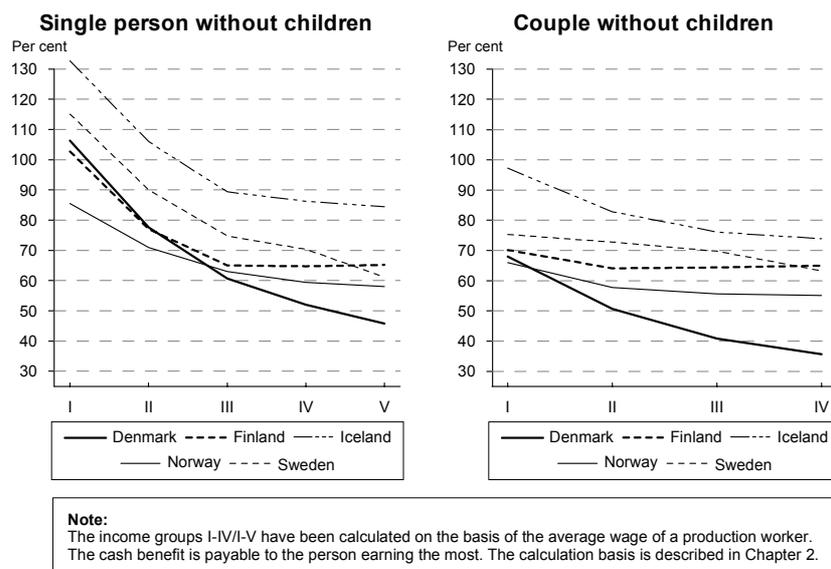
2 Average payment of pension in December.

3 Expenditure on both basic and employment pensions, divided by the number of recipients of basic pension have been included. About 90 per cent of those receiving a basic pension also receive an employment pension.

As can be seen, there are large differences in the benefits payable to men and women. While men receive the highest amount in Finland, Norway and Sweden due to a larger accumulation of ATP, men in Denmark receive the least, which is a result of more men receiving supplementary pensions, which has a bearing on the basic pension.

Figure 7.5 first and foremost shows the disposable income at five different compensation levels (including the maximum amount of employment pension)

Figure 7.5 Disposable incomes when receiving old-age pension (including employment pension) as percentages of disposable income from work, 2002



for a single old-age pensioner, in per cent of the disposable income from work. It also shows the disposable income at four income levels (including employment pension) for a married couple of pensioner, in per cent of disposable income from work.

As can be seen from the figures, there are considerable differences in the compensation levels in relation to the transition to pension. This applies both to countries and to differences between single people and couples. One reason for this is the employment pension, which is very low in Denmark, but a full pension in Sweden. This also applies to some extent to the Icelandic employment pension schemes. The very high compensation levels for the lowest income groups in Denmark, Finland and Sweden is a result of the relatively high amount of housing benefits payable to pensioners in those countries. In Finland, Norway and Sweden, an important factor is that especially favourable tax rules apply to pensioners. Besides, the minimum pension is relatively high in Denmark and the employment pension is generally high in Sweden.

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The differences in the compensation levels in the various countries, in particular in relation to the high-income brackets, reflect to a certain degree the significance of the supplementary pension schemes (not included in the figures). These schemes are most important in Denmark and Norway.

Special Old-Age and Partial Retirement Pensions

- Schemes Facilitating the Transition from Working Life to Life as a Pensioner

The special old-age pensions comprise several types of pension granted to people of working age, which cannot be regarded as traditional old-age pensions. Social or health-related criteria and/or circumstances in the labour market or agreements enable people to retire partly or completely on a voluntarily basis.

In Denmark, such pensions are first and foremost the ordinary disability/anticipatory pension, which may be awarded to people aged 18-66 years whose working capacity has been reduced by at least 50 per cent for health and/or social reasons. The number of new recipients of general disability/anticipatory pension has decreased steeply during recent years, which is mainly due to an enhanced effort to maintain people with reduced working capacities in employment, possibly on special conditions. In 2002, the number of new awards increased, which may be a result of the fact that local authorities closed many cases before the new reform of the anticipatory pension scheme entered into force on 1 January 2003. Secondly, such pensions include the voluntary early retirement pay, which is a voluntary retirement scheme for members of an unemployment fund, aged 60-66 years. In 1999, a number of changes of the disability/anticipatory pension scheme were introduced to make it more financially advantageous to continue working and to postpone the transfer to voluntary early retirement. Thirdly, a transition allowance, which is a voluntary retirement scheme for long-term unemployed recipients of daily cash benefits aged 50-59 years. Accession to this scheme was stopped by the end of 1995, for which reason the number of recipients has dropped considerably. Fourthly, partial pension, which is awarded to employees and self-employed people aged 60-66 years, who wish to retire partly from the labour market.

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Table 7.8 Average monthly amounts of the special old-age/partial retirement pensions as per December 2002

| | KR/EUR | PPP-Euro |
|---|--------|----------|
| <i>Denmark</i> | | |
| Basic ordinary disability/ anticipatory pension ¹⁾ | 8 116 | 836 |
| Voluntary early retirement pay ²⁾ | 10 284 | 1 059 |
| Partial retirement pension ³⁾ | 6 275 | 646 |
| Transition allowance ²⁾ | 10 255 | 1 056 |
| <i>Finland³⁾</i> | | |
| Partial retirement pension | 535 | 335 |
| Special pensions to farmers | 741 | 602 |
| <i>Norway⁴⁾</i> | | |
| Pension fixed by collective agreement | 11 930 | 1 098 |
| Special pension to sailors | 3 926 | 361 |
| Special pension to fishermen | 4 858 | 447 |
| Special pension to woodsmen | 3 147 | 290 |
| <i>Sweden³⁾</i> | | |
| Partial retirement pension | 1 800 | 167 |

1 Average pension paid out in January 2002.

2 Average benefit amount paid out in 2002.

3 Average pension paid out in December 2002.

4 Average monthly amount, December 2002 (average annual amount in 2002 divided by 12).

In Finland, employees and self-employed people who have turned 60 years may be awarded early retirement pension. In the public sector, the age limit is 58 years. Early retirement reduces the pension, also after the recipient has reached the age of 65 years. All early retirement pensioners have been included in the statistics on old-age pensioners. Self-employed people and employees, who have been working for a long time, may choose partial pension when they reach the age of 58 years. In the period from 1 July 1998 to 31 December 2002, the age limit is, however, 56 years. Farmers, who stop running their farms before reaching the pensionable age, may receive a special pension. The Finnish unemployment pensions are described in Chapter 5.

In Norway, it was decided in 1989 to introduce a scheme of pensions fixed by collective agreements (AFP). The main idea of the scheme is that people in work may retire on certain terms before the statutory retirement age of 67 years. The pensionable age of the scheme has been lowered several times and was lowered to 62 years as from 1 March 1998. About 60 per cent of people in work may obtain a pension fixed by collective agreements.

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There are three further pension schemes that are adapted to the social insurance scheme, and they function as special early retirement schemes for people under the age of 67. In the pension schemes for sailors and fishermen, old-age pension may be obtained from the age of 60, and in the pension scheme for woodsmen, pension may be obtained from the age of 63.

In Sweden, it has not been possible to award new partial pensions since 2000. The pensions already awarded shall be payable until the recipient becomes an old-age pensioner. The number of people receiving partial pension will therefore gradually decrease until the scheme will be completely abolished in 2004.

Table 7.9 Pensioners receiving special old-age/partial retirement pensions, by sex and age, 2002

| | Total | -49 | | 50-59 | | 60-64 | | 65+ | |
|--|---------|-------|-------|--------|--------|--------|--------|--------|--------|
| | | M | W | M | W | M | W | M | W |
| <i>Denmark</i> | | | | | | | | | |
| Basic ordinary disability/ | | | | | | | | | |
| anticipatory pension | 77 765 | 9 576 | 8 365 | 17 548 | 9 973 | 15 184 | 5 854 | 8 652 | 2 613 |
| Voluntary early retirement pay ¹⁾ | 185 774 | . | . | 9 316 | 4 064 | 66 072 | 52 508 | 26 968 | 26 846 |
| Partial retirement pension | 2 197 | . | . | . | . | 209 | 880 | 206 | 902 |
| <i>Finland</i> | | | | | | | | | |
| Partial retirement pension | 39 542 | . | . | 13 422 | 11 450 | 7 596 | 7 074 | . | . |
| Special pensions to farmers | 37 740 | . | . | 2 743 | 1 740 | 5 605 | 4 048 | 13 098 | 10 506 |
| <i>Norway</i> | | | | | | | | | |
| Pension fixed by collective agreement | 33 475 | . | . | . | . | 7 480 | 9 952 | 6 915 | 9 128 |
| Special pension to sailors ²⁾ | 17 366 | . | . | .. | .. | .. | .. | .. | .. |
| Special pension to fishermen | 1 733 | . | . | .. | .. | .. | .. | .. | .. |
| Special pension to woodsmen | 58 | . | . | .. | .. | .. | .. | .. | .. |
| <i>Sweden³⁾</i> | | | | | | | | | |
| Partial retirement pension | 5 900 | . | . | . | . | .. | .. | . | . |

1 Including 13 380 people in the age group 50-59 years receiving transition allowance. The transition allowance was introduced in 1992 as a temporary measure. Access to the scheme was discontinued at the end of 1995.

2 It is not possible to break down recipients of special pension to sailors by sex.

3 Calculated number of partial retirement pensioners aged 61-64 years in December 2002. Information on sexes not available.

Services to the Elderly

Institutions, etc., for the Elderly

The majority of the older population lives in ordinary housing. Only a minority lives in housing specially adapted to older people. Such housing exists in all five countries, and the layout depends on the need of the elderly for care and may be divided into:

1. Institutions (nursing homes/homes for the long-term ill/old people's homes).
2. Service housing (sheltered homes/service flats/collective housing/housing where special care is provided, etc.).

Elderly people may also, to varying degrees, be offered long-term medical treatment in hospital wards - often in the so-called geriatric wards. In all the countries, there are also special wards in some nursing homes where elderly people who live in their own homes may be admitted on a short-term basis when needed.

Table 7.10 People aged 65+ years living in institutions or service housing, total and as percentages of the total number of elderly, December 2002

| | Denmark ¹⁾ | Finland | Iceland | Norway ¹⁾ | Sweden ²⁾ |
|---|-----------------------|---------|---------|----------------------|----------------------|
| <i>People of the ages</i> | | | | | |
| 65-74 years | 8 972 | 8 458 | 416 | 8 274 | 9 944 |
| 75-79 years | 10 512 | 9 801 | 508 | 11 726 | 14 680 |
| 80+ years | 44 080 | 36 457 | 2 160 | 51 957 | 90 898 |
| Total, 65/67+ years | 63 564 | 54 716 | 3 084 | 71 957 | 124 604 |
| <i>As percentage of the respective age groups</i> | | | | | |
| 65-74 years | 2.8 | 1.9 | 2.8 | 3.3 | 1.3 |
| 75-79 years | 6.5 | 5.8 | 9.5 | 8.0 | 4.5 |
| 80+ years | 20.3 | 19.3 | 29.7 | 25.3 | 19.4 |
| Total, 65/67+ years | 9.1 | 6.9 | 9.1 | 11.9 | 8.1 |

1 Age groups 67-74, 75-79 and 80+ years.

2 Calculation as per 1 October 2002. Besides, people staying on a short-term basis are included in the age group 65+ years.

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Home help

Table 7.11 Elderly people receiving home help, 2002

| | Denmark ¹⁾ | Finland ²⁾ | Iceland | Norway ³⁾ | Sweden ⁴⁾ |
|---|-----------------------|-----------------------|---------|----------------------|----------------------|
| <i>Recipients of home help</i> | | | | | |
| 65-74 years | } 64 458 | 15 081 | .. | 12 454 | 16 760 |
| 75-79 years | | 40 532 | .. | 18 216 | 20 462 |
| 80+ years | 107 691 | 28 659 | .. | 61 007 | 87 953 |
| Total 65+ years | 172 149 | 84 272 | 6 738 | 91 677 | 125 175 |
| <i>Recipients of home help as percentage of the age group</i> | | | | | |
| 65-74 years | } 13.3 | 3.4 | .. | 4.9 | 2.3 |
| 75-79 years | | 14.6 | .. | 12.4 | 6.3 |
| 80+ years | 49.6 | 35.4 | .. | 29.7 | 18.7 |
| Total 65+ years | 24.6 | 10.6 | 19.9 | 15.2 | 8.2 |

1 People of the age groups 67-79 years and 80+ years.

2 Households in the age groups 65-74, 75-84 and 85+ years.

3 Age groups 67-74 years, 75-79 years and 80+ years. Including residents in service housing who receive practical assistance (home help).

4 People who as at 1 October 2002 had been granted home help and who live in their own house or flat.

In all five countries, home help is provided to the elderly. The extent of the assistance is determined on the basis of individual needs and may vary from a few hours per month to several hours per day. The assistance is a municipal matter and is provided by municipal or privately employed staff.

The statistics concerning home help in the Nordic countries are not easily compared. While the figures for Denmark and Norway are situation-statements, the Icelandic and Finnish data contain information on how many people received help during the year. The Swedish data cover people who had been granted home help per October. Besides, the Finnish statistics comprise households, whereas they for the other countries comprise individuals. The theme section in this year's report deals with schemes and staff within the care sector for the elderly, where it turns out to be extremely difficult to obtain comparable data.

Support Schemes and Leisure Activities

In the Nordic countries, pensioners are offered various kinds of support schemes and activating measures, either on a municipal or on a private basis. The range of services and activities offered varies from one country to another and from one municipality to another. No comparable statistics are available to reflect the extent of such activities.

Support schemes mainly aim at enabling elderly people to remain in their own homes for as long as possible. The service schemes include delivery of meals, telephone chains, home-visiting schemes, physiotherapy and occupational therapy, hairdressing, pedicure, gardening and snow clearing. There are also schemes for washing and mending clothes. There are no centrally agreed policies regarding payment, but usually a fee is charged for the provision of meals, pedicure and gardening. Part of the activities may take place in the special centres for elderly people.

The transport service scheme is a service to elderly or disabled people who are unable to use public transport or to get about on their own.

Disabled People

Health-Related Disability/Anticipatory Pension

- Social Grounds are Evaluated in Different Ways in Respect of Award of Disability/Anticipatory Pension

In all the Nordic countries, persons whose working capacity has been reduced by physical and/or mental disabilities may be entitled to a disability/anticipatory pension. The disability/anticipatory pension is called disability pension in Finland and Iceland and anticipatory pension in Norway.

In addition to the ordinary disability pension, which covers the whole working-age population, Finland has a special disability pension scheme (individual early retirement pension) based on less strict health criteria for the age group 58-64 years.

Disability/anticipatory Pension Basis

In Denmark, the statutory retirement pension (old-age pension), disability pension, widow's pension and anticipatory pension are integrated in a coherent set of rules. Disability/anticipatory pensioners are awarded basic pension according to the same rules as apply to old-age pensioners. Besides, pensioners who have been granted the intermediate amount of disability/anticipatory pension also receive a disability allowance, and pensioners who have been granted the highest

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amount of disability/anticipatory pension also receive an unemployability amount in addition to the disability allowance. The disability allowance and the unemployability amount are not earnings-related, and besides, the disability allowance is exempt from tax. In Denmark, disability/anticipatory pensioners do not receive employment pension. As mentioned earlier, the ordinary minimum disability/anticipatory pension has been included as a special old-age pension in the present report.

In Finland, Iceland, Norway and Sweden, disability/anticipatory pension is granted by way of a basic pension/guaranteed minimum pension and an employment pension according to the same rules as apply to old-age pensions, whereas the old rules apply in Sweden.

For the calculation of the employment pension, which is done on the basis of previous income from work, the time up to the statutory pensionable age is usually included in Finland, Iceland, Norway and Sweden. In Finland, the percentage for the disability pension for the period from the early retirement pension to the statutory pensionable age is, however, lower than it is for old-age pensioners.

Circumstances Influencing the Number of Disability/anticipatory Pensioners

In the Nordic countries, there are a number of alternative benefits that affect both the award of disability/anticipatory pension and the number of disability/anticipatory pensioners. In Sweden, for example, sickness benefit is payable without any time limit, whereas sickness benefit is payable for a maximum of one year in the other countries, with a possibility of prolongation in Denmark, however.

In Norway, a rehabilitation benefit is normally payable before disability/anticipatory pension will be awarded.

Also the other disability/anticipatory pension schemes (which in this report are referred to as special old-age pensions) may affect the number of disability/anticipatory pensioners. In Denmark and Finland, there is, for example, a large number of pensioners who mainly draw pension for other reasons. The existence of schemes such as the voluntary early retirement scheme in Denmark and the unemployment pension scheme in Finland has contributed to there being fewer disability/anticipatory pensioners than would otherwise have been the case in those countries. In Norway, the AFP scheme (pensions fixed by collective agreements) affects the number of disability/anticipatory pensioners. Several surveys have shown that about 20

per cent of the AFP pensioners would have been disability/anticipatory pensioners, had the scheme not existed.

The amount of the disability/anticipatory pension, including pension supplements, is in principle either higher or equal to the pension awarded to retirement pensioners in all the countries. In addition, a number of special supplements may be payable in Denmark, as well as an employment pension in the other countries, as mentioned above.

Compensation Levels

Figure 7.6 shows the compensation level for a single 50 year-old disability/anticipatory pensioner who has previously been in work, and who has completely lost his working capacity. The highest level is found in Denmark and Sweden and the lowest in Finland and Norway for people who previously had a low income. The very high compensation level in Denmark is due to the highest disability/anticipatory pension being independent of any previous income. Besides, people who have completely lost their working capacity are entitled to both a disability allowance and an unemployability amount. Furthermore, the rules governing housing benefits for pensioners are relatively favourable, which also applies to Sweden. The disability/anticipatory pension in the other countries is calculated in relation to previous income from work.

In all the countries, men receive a higher benefit on average than do women. In Finland, Norway and Sweden, this is a result of higher accumulation of the ATP.

Table 7.12 Average monthly amount of statutory disability/anticipatory pension, 2002

| | KR/EUR | | | PPP-Euro | | |
|-----------------------|--------|--------|--------|----------|-------|-------|
| | Men | Women | All | Men | Women | All |
| Denmark ¹⁾ | 10 554 | 10 110 | 10 326 | 1 087 | 1 041 | 1 063 |
| Finland ²⁾ | 1 033 | 825 | 936 | 840 | 671 | 761 |
| Iceland ³⁾ | .. | .. | 99 468 | .. | .. | 1 154 |
| Norway | 11 755 | 8 708 | 10 004 | 1 081 | 801 | 920 |
| Sweden ²⁾ | 9 125 | 7 574 | 8 229 | 849 | 705 | 766 |

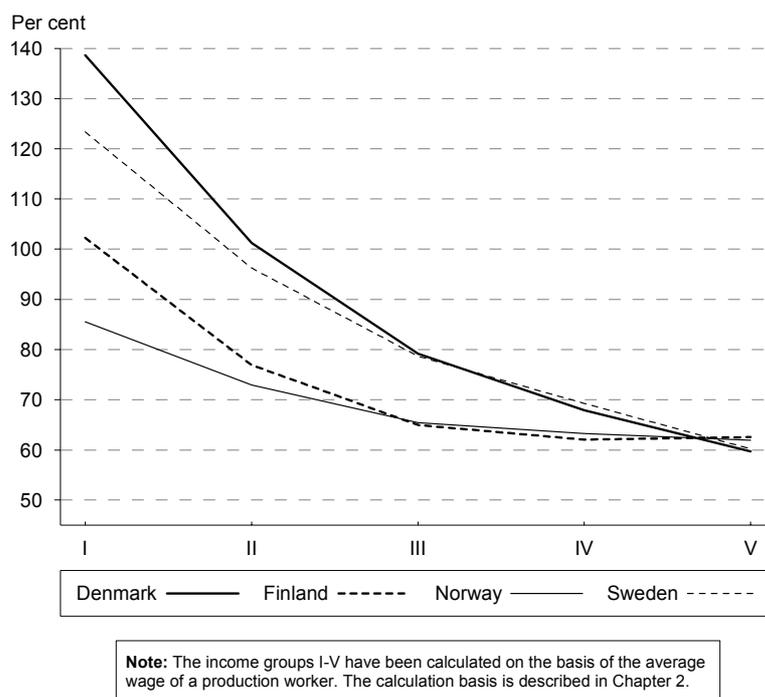
1 Average amount of highest and intermediate disability/anticipatory pensions paid out in January 2002.

2 Average pension amount as per December.

3 Expenditure on both basic and employment pensions divided by the number of disability pensioners who receive basic pension has been included. About 55 per cent of the disability pensioners also receive employment pension.

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Figure 7.6 Compensation level for a single 50 year-old disability/ anticipatory pensioner with no working capacity left, 2002



Number of Disability/anticipatory Pension Recipients

There has been an increase in the number of new awards of the intermediate and the highest disability/anticipatory pension in Denmark in recent years, while the number of new awards of the general disability/anticipatory pensions (special old-age pensions) declined. The increase in the number of new awards in 2002 may be a result of the fact that local authorities closed many cases before the new anticipatory pension reform entered into force on 1 January 2003.

In Finland, there has been a significant drop in the number of disability pension recipients. This is a result of the qualifying age for individual disability pension having increased, and to older long-term unemployed people receiving unemployment pension and consequently not applying for disability pension. The number of recipients of partial pension also increased, which may also have contributed to a reduction in the number of disability pensioners.

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Table 7.13 Recipients of disability/anticipatory pension and new accession of disability/anticipatory pensioners, by sex, 1995-2002

| | Denmark ¹⁾ | | Finland | | Iceland ²⁾ | | Norway ³⁾ | | Sweden | |
|---|-----------------------|--------|---------|---------|-----------------------|-------|----------------------|---------|---------|---------|
| | M | W | M | W | M | W | M | W | M | W |
| <i>1995</i> | | | | | | | | | | |
| Recipients | 82 166 | 83 871 | 165 348 | 144 156 | 4 250 | 5 769 | 103 401 | 132 900 | 185 413 | 223 163 |
| New accession | 5 941 | 5 087 | .. | .. | 502 | 723 | 11 016 | 12 223 | 18 639 | 20 565 |
| New accession as percentage of population of qualifying age | 0.3 | 0.3 | .. | .. | 0.6 | 0.9 | 0.8 | 1.0 | 0.7 | 0.8 |
| <i>2000</i> | | | | | | | | | | |
| Recipients | 81 426 | 83 367 | 147 022 | 129 247 | 4 172 | 6 108 | 119 160 | 160 413 | 189 727 | 248 216 |
| New accession | 4 332 | 4 237 | 13 004 | 11 691 | 378 | 801 | 13 529 | 16 150 | 21 303 | 27 934 |
| New accession as percentage of population of qualifying age | 0.2 | 0.2 | 0.8 | 0.7 | 0.4 | 0.9 | 1.0 | 1.3 | 0.8 | 1.1 |
| <i>2001</i> | | | | | | | | | | |
| Recipients | 81 954 | 84 897 | 143 033 | 124 873 | 4 377 | 6 474 | 121 309 | 164 055 | 195 454 | 261 368 |
| New accession | 5 413 | 5 469 | 13 396 | 12 282 | 389 | 675 | 11 607 | 13 689 | 24 508 | 32 573 |
| New accession as percentage of population of qualifying age | 0.3 | 0.3 | 0.8 | 0.7 | 0.4 | 0.7 | 0.9 | 1.1 | 0.9 | 1.3 |
| <i>2002</i> | | | | | | | | | | |
| Recipients | 84 066 | 88 745 | 142 854 | 124 350 | 4 570 | 6 879 | 124 241 | 167 983 | 206 156 | 282 396 |
| New accession | 6 421 | 6 524 | 14 531 | 12 600 | 368 | 732 | 12 403 | 14 395 | 26 542 | 37 196 |
| New accession as percentage of population of qualifying age | 0.4 | 0.4 | 0.8 | 0.7 | 0.4 | 0.8 | 0.9 | 1.2 | 0.9 | 1.3 |

1 The number of recipients has in this table been calculated as at the beginning of the year; in the other pension tables, the number has been calculated as at year-end.

2 Pensionable age 16-66 years.

3 Pensionable age 16-67 years.

The increasing number of anticipatory pensioners in Iceland in recent years is a result of changes implemented in the assessment of the disability degree to the effect that it will be based on medical data only. Moreover, there have been changes in the labour market.

As from 1 September 1999, the disability degree has been assessed solely on the basis of medical criteria, where previously also social criteria were taken into account. The number of disabled people has, however, increased more than expected in 1999.

This may be a result of the social insurance institute having neglected to summon applicants to a medical examination, which may have resulted in an incomplete basis for assessment.

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Table 7.14 Pensioners receiving disability/anticipatory pension by way of basic pension/guaranteed minimum pension and/or employment pension, total 1995-2002

| | 1995 | 2000 | 2001 | 2002 |
|-----------------------------|---------|---------|---------|---------|
| <i>Denmark</i> | | | | |
| 18-19 years | 485 | 570 | 659 | 700 |
| 20-29 - | 8 317 | 7 598 | 7 671 | 7 779 |
| 30-39 - | 18 305 | 18 364 | 18 977 | 20 003 |
| 40-49 - | 34 919 | 33 757 | 35 500 | 38 067 |
| 50-59 - | 57 198 | 60 933 | 64 057 | 68 457 |
| 60-64 - | 34 504 | 33 366 | 33 691 | 35 064 |
| Total 18-64 years- | 153 728 | 154 588 | 160 555 | 170 070 |
| 65-66 years | 12 918 | 12 263 | 12 256 | 12 620 |
| <i>Finland¹⁾</i> | | | | |
| 16-19 years | 1 978 | 1 569 | 1 279 | 923 |
| 20-29 - | 9 031 | 8 240 | 8 388 | 8 777 |
| 30-39 - | 20 379 | 18 451 | 18 111 | 17 864 |
| 40-49 - | 49 498 | 43 096 | 42 051 | 41 400 |
| 50-59 - | 113 830 | 108 344 | 106 982 | 112 935 |
| 60-64 - | 114 787 | 96 569 | 91 095 | 85 305 |
| Total 16-64 years | 309 503 | 276 269 | 267 906 | 267 204 |
| 65-66 years | . | . | . | . |
| <i>Iceland</i> | | | | |
| 16-19 years | 322 | 193 | 214 | 211 |
| 20-29 - | 1 048 | 971 | 1 038 | 1 129 |
| 30-39 - | 1 825 | 1 719 | 1 749 | 1 836 |
| 40-49 - | 1 973 | 2 362 | 2 563 | 2 735 |
| 50-59 - | 2 234 | 2 600 | 2 838 | 3 019 |
| 60-64 - | 1 712 | 1 533 | 1 561 | 1 684 |
| Total 16-64 years | 9 114 | 9 378 | 9 963 | 10 614 |
| 65-66 years | 905 | 902 | 849 | 835 |
| <i>Norway²⁾</i> | | | | |
| 16-19 years | 778 | 544 | 513 | 543 |
| 20-29 - | 6 625 | 7 687 | 7 445 | 7 361 |
| 30-39 - | 19 106 | 24 011 | 24 007 | 23 930 |
| 40-49 - | 44 153 | 51 285 | 51 607 | 51 874 |
| 50-59 - | 73 415 | 99 405 | 103 377 | 107 100 |
| 60-64 - | 59 700 | 67 054 | 68 522 | 70 925 |
| Total 16-64 years | 203 777 | 249 986 | 255 471 | 261 733 |
| 65-66 years ³⁾ | 32 524 | 28 526 | 28 767 | 29 477 |
| <i>Sweden</i> | | | | |
| 16-19 years | 3 138 | 3 910 | 4 253 | 4 750 |
| 20-29 - | 12 181 | 13 924 | 14 649 | 15 915 |
| 30-39 - | 31 645 | 34 463 | 36 613 | 40 170 |
| 40-49 - | 78 902 | 78 134 | 81 738 | 87 972 |
| 50-59 - | 156 598 | 174 686 | 183 469 | 195 989 |
| 60-64 - | 137 394 | 132 826 | 136 100 | 143 756 |
| Total 16-64 years | 419 858 | 437 943 | 456 822 | 488 552 |
| 65-66 years | . | . | . | . |

1 Including individual disability pensions.

2 The lower age limit for disability pension has been increased from 16 to 18 years as from 1 January 1998.

3 To this should be added 1 014 67 year-olds in 2002, as the old-age pension is payable from the month following the month in which an applicant turns 67 years.

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Table 7.15 Pensioners receiving disability/anticipatory pension by way of basic pension/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 1995-2002

| | 1995 | 2000 | 2001 | 2002 |
|-----------------------------|------|------|------|------|
| <i>Denmark</i> | | | | |
| 18-19 years | 0.2 | 0.2 | 0.2 | 0.2 |
| 20-29 - | 1.1 | 1.1 | 1.1 | 1.2 |
| 30-39 - | 2.3 | 2.2 | 2.3 | 2.4 |
| 40-49 - | 4.5 | 4.5 | 4.7 | 5.1 |
| 50-59 - | 8.8 | 8.1 | 8.5 | 9.0 |
| 60-64 - | 14.4 | 12.5 | 12.3 | 12.3 |
| Total 18-64 years | 4.3 | 4.3 | 4.5 | 4.8 |
| 65-66 years | 14.3 | 13.2 | 12.9 | 12.8 |
| <i>Finland¹⁾</i> | | | | |
| 16-19 years | 0.8 | 0.6 | 0.5 | 0.4 |
| 20-29 - | 1.4 | 1.3 | 1.3 | 1.4 |
| 30-39 - | 2.7 | 2.5 | 2.5 | 2.6 |
| 40-49 - | 5.9 | 5.5 | 5.4 | 5.4 |
| 50-59 - | 19.4 | 14.7 | 14.3 | 14.5 |
| 60-64 - | 47.6 | 36.9 | 32.7 | 31.3 |
| Total 16-64 years | 9.2 | 8.1 | 7.8 | 7.8 |
| 65-66 years | . | . | . | . |
| <i>Iceland²⁾</i> | | | | |
| 16-19 years | 1.9 | 1.1 | 1.3 | 1.3 |
| 20-29 - | 2.6 | 2.3 | 2.4 | 2.6 |
| 30-39 - | 4.3 | 4.1 | 4.2 | 4.4 |
| 40-49 - | 5.6 | 5.9 | 6.3 | 6.6 |
| 50-59 - | 9.7 | 8.9 | 9.3 | 9.6 |
| 60-64 - | 17.0 | 15.8 | 15.8 | 16.3 |
| Total 16-64 years | 5.4 | 5.2 | 5.4 | 5.8 |
| 65-66 years | 21.8 | 23.7 | 23.6 | 22.0 |
| <i>Norway</i> | | | | |
| 16-19 years | 0.4 | 1.0 | 0.5 | 0.5 |
| 20-29 - | 1.0 | 1.0 | 1.3 | 1.3 |
| 30-39 - | 2.9 | 4.0 | 3.5 | 3.4 |
| 40-49 - | 7.1 | 8.0 | 8.2 | 8.2 |
| 50-59 - | 16.3 | 18.0 | 18.1 | 18.3 |
| 60-64 - | 33.9 | 36.0 | 35.7 | 31.4 |
| Total 16-64 years | 7.4 | 9.0 | 9.2 | 9.4 |
| 65-66 years | 42.8 | 43.0 | 43.4 | 43.1 |
| <i>Sweden</i> | | | | |
| 16-19 years | 0.8 | 1.0 | 1.0 | 1.1 |
| 20-29 - | 1.0 | 1.3 | 1.3 | 1.5 |
| 30-39 - | 2.6 | 2.7 | 2.9 | 3.1 |
| 40-49 - | 6.4 | 6.7 | 7.0 | 7.5 |
| 50-59 - | 14.7 | 14.2 | 14.7 | 15.7 |
| 60-64 - | 34.2 | 30.0 | 29.9 | 30.1 |
| Total 16-64 years | 7.6 | 7.8 | 8.1 | 8.6 |
| 65-66 years | . | . | . | . |

1 Including individual disability pensions.

2 The lower age limit for disability pension has been increased from 16 to 18 years as from 1 January 1998.

3 To this should be added 1 014 67 year-olds in 2002, as the old-age pension is payable from the month following the month in which an applicant turns 67 years.

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As from March 2003, most of the applicants have been examined by the social insurance fund's physicians. The result of this altered practise can be seen in the near future.

Both in Norway and Sweden, the rules governing award of disability/ anticipatory pension have been tightened, but until now with little effect. In Norway, the number of awards up until 2000 increased. There was a slight decrease in 2001, after which it increased again.

Rehabilitation

People whose working capacity has been reduced due to physical, mental or social factors may be granted support to education, retraining and re-schooling where it is deemed necessary for their future possibilities to manage on their own and to support their families.

Support may also be granted towards meeting special expenses incurred by such education or training. Education may consist of training in the open labour market. Support is provided by way of wages/salaries or wage/salary supplements. In addition, special support may be granted towards acquisition of tools, etc., and towards setting up a business.

In Denmark, support is granted as a fixed rehabilitation allowance corresponding to the maximum amount of daily cash benefits. Payment of the rehabilitation allowance is subject to rehabilitation being initiated according to a fixed occupational plan. The allowance is payable until the occupational plan has been implemented, but usually for a maximum of five years. In respect of young people under the age of 25, the rehabilitation allowance is half the maximum amount. With a view to maintaining and integrating weak groups in the labour market, an enhancement of the work-related rehabilitation scheme took place in 1999.

In Finland, about 80 per cent of people in rehabilitation programmes receive rehabilitation benefit from the Social Insurance Institution. In such cases, the daily cash benefit equals the amount of the sickness benefit. The amount of the daily cash benefits from the accident and traffic insurance schemes as well as from the statutory employment-related pension scheme depends on the paying authorities.

In Iceland, a rehabilitation allowance is payable when an injured person is no longer entitled to sickness or accident benefits. As a rule, the allowance is payable for a maximum of 12 months or until a decision has been made as to the future of the disabled person in question. The allowance equals the disability pension and is awarded according to the same criteria; it is, howe-

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ver, never payable for more than 18 months. Everyone receiving rehabilitation allowance must undergo examinations and treatment during the period in which the allowance is being paid.

Since 1 January 2000, the social insurance fund has paid a rehabilitation benefit to people who are at risk of being excluded from the labour market due to illness or accidents. Especially in Iceland, there are many social institutions offering jobs to people undergoing rehabilitation. At the moment endeavours are made to gather the activities in this area with the aim of enhancing the work-related rehabilitation.

In Norway, assistance to people undergoing rehabilitation is calculated on the basis of the pensionable income, either from the last year or from an average of the last three years before their work ability becoming reduced to at least half. The assistance amounts to 66 per cent of the calculation basis. The rehabilitation proper may be carried through in a co-operation between i.a. the health, labour-market, and social-security authorities to the effect that these sectors must provide an overall offer to each person concerned.

In Sweden, a number of compensations and benefits are payable in connection with rehabilitation. A training benefit by way of daily cash benefit is payable to participants who are or would have been entitled to a benefit from the unemployment insurance scheme, provided the person in question participates in labour market activities. This is subject to the person in question complying with the conditions for receipt of daily cash benefits in the event of unemployment or having received a benefit for the maximum period in which unemployment benefit is payable. Daily cash benefit may also be payable to people who are not entitled to unemployment benefit; however at a reduced rate. Daily cash benefit is payable for a maximum of five working days per week, and the benefit shall be reduced in case a recipient receives other benefits such as pension, parental benefit, rehabilitation benefit or pay from an employer. In connection with rehabilitation, a rehabilitation benefit as well as special benefits may be awarded instead of sickness benefit. The rehabilitation benefit is in that case awarded to people who participate in occupational rehabilitation, and the special benefits shall cover the expenses incurred by the rehabilitation, such as travel expenses. The occupational rehabilitation measures may for example be job training, analysis at a labour market institute and education/training.

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Table 7.16 People receiving rehabilitation benefit during the year and as at December 2002

| | Denmark ¹⁾ | Finland ²⁾ | Iceland | Norway ³⁾ | Sweden ⁴⁾ |
|--|-----------------------|-----------------------|---------|----------------------|----------------------|
| <i>People receiving rehabilitation benefit during the year</i> | | | | | |
| Men | 12 401 | 22 104 | 385 | 37 894 | 32 441 |
| Women | 22 395 | 36 589 | 681 | 53 359 | 15 447 |
| Total | 34 927 | 58 693 | 1 066 | 91 253 | 47 888 |
| <i>People receiving rehabilitation benefit as at December 2002</i> | | | | | |
| Men | 7 350 | 4 915 | 158 | 20 876 | 4 536 |
| Women | 14 143 | 6 381 | 288 | 31 902 | 9 706 |
| Total | 21 513 | 11 296 | 446 | 52 778 | 14 242 |

1 Excluding refugees, people receiving support towards meeting special costs, etc., undergoing rehabilitation and people undergoing retraining in the general labour market in a wage/salary subsidized job. Total during the year includes 131 not stated, and total per December includes 20 not stated in respect of sex.

2 Includes only rehabilitation benefit payable by the Social Insurance Institution (80 per cent of all payments).

3 People that have received rehabilitation benefits.

4 Includes only people receiving rehabilitation benefit. The number of people receiving special benefits cannot be calculated.

Compensation for Industrial Injury

In all Nordic countries, people who have suffered an industrial injury are entitled to either sickness benefit or an equivalent benefit in the event of a temporary loss of their working capacities. In case of long-term or permanent loss of working capacity, disability/anticipatory pension or a similar benefit is payable.

An industrial injury is defined as a work accident or work-related illness causing temporary or permanent loss of the ability to work.

In all the countries, compulsory industrial-injury insurance funds have been established, but according to somewhat differing rules. The industrial-injury insurance fund pays out compensation for permanent injuries and for lost ability to work, either by way of a non-recurrent payment or monthly payments. Normally, the industrial injury insurance fund also covers expenses for treatment that are not covered by the general sickness insurance scheme.

In Denmark, compensation is granted for the loss of ability to work if an industrial injury has reduced the working capacity by at least 15 per cent. In addition, a non-recurrent payment is payable if the degree of the permanent

injury is 5 per cent or more. Compensation is calculated on the basis of 80 per cent of an injured persons previous annual income.

In Finland, one is entitled to a pension if one's working capacity is reduced by at least 10 per cent. The pension payable to a person who is completely incapable of working amounts to 85 per cent of the previous income from work. An employee who is partly incapable of working is entitled to part of the full pension corresponding to the reduction of the working capacity. The compensation level for pension on the grounds of accidents drops to 70 per cent of the income from work when a recipient turns 65 years. Pension in the event of accident to a partly disabled employee shall also be reduced when he turns 65 years.

In Iceland, entitlement to wages during illness (absence due to an accident) plays the most important part for an injured person. People who are not entitled to wages/salaries, or in the event that the period in which one is entitled to receive wages/salary has expired, the people concerned are entitled to daily cash benefits from the general industrial injury insurance fund. This benefit is a fixed amount independent of the wages/salary earned prior to the accident. The benefit is usually payable for a maximum of 52 weeks.

In Norway, one may be granted disability/anticipatory pension in the event that an industrial injury or a work-related accident reduces one's working capacity by 30 per cent, where a reduction of the working capacity of 50 per cent is normally required in order to be awarded disability/anticipatory pension. A loss of a minimum of 15 per cent of the ordinary working capacity is required in order for a compensation to be awarded (compensation for loss of working capacity).

In Sweden, compensation is granted by way of annuities in the event that one's working capacity has been permanently reduced by at least one fifth (6.6 per cent). The annuity shall normally be calculated on the basis of the insured person's sickness-benefit entitling income.

Care Allowance to Disabled People

In all the Nordic countries, families may receive financial support from the public authorities to cover expenses for taking care of a physically or mentally ill child in the home. The rules vary somewhat from one country to another, but the aims of the schemes are identical, i.e. to make it financially possible for families to maintain a child in their homes by having the extra expenses incurred by the child's disability covered.

Adults who have reduced capabilities and who live in their own homes are also entitled to subsidies. The various countries also have slightly diffe-

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ring rules in this respect. Support may be granted for technical aids that the person concerned needs in order to carry out a trade or to remedy his or her disorder, or to ease the daily existence in the home.

In several of the countries, subsidies may be granted for purchase and/or maintenance of a car or other motor vehicle.

Services for Disabled People

Institutions, etc., for Disabled People

In all the countries, there is special housing available for people with reduced capabilities, such as:

1. Institutions (nursing homes/homes for the long-term ill).
2. Service housing (sheltered housing/service flats/collective housing).

In addition to these special types of accommodation, disabled people may also, to varying degrees, be offered long-term medical treatment in hospital wards in the so-called long-term-care wards. In Norway, local authorities receive an ear-marked subsidy in order to induce that disabled people under 67 years be moved from old people's homes or nursing homes to housing facilities outside of the institutions.

Table 7.17 People under 65 years living in institutions or in service housing, December 2002

| | Denmark ¹⁾ | Finland | Iceland | Norway ²⁾ | Sweden ³⁾ |
|---|-----------------------|---------|---------|----------------------|----------------------|
| Under 65 years, total | 17 234 | 18 537 | 909 | 16 092 | 25 399 |
| Under 65 years as percentage of the age group | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 |

1 Under 67 years; including special housing for the elderly.

2 The information applies to residents in special-care housing units as well as to people admitted to institutions (age group 0-66 years).

3 Average of the calculation as at 1 January and 1 October 2002. Includes people who are staying on a permanent or a short-term basis.

Home Help

In all five countries, home help is provided to disabled people. The extent of the assistance is determined on the basis of individual needs and may va-

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ry from a few hours a month to several hours per day. The assistance is a municipal matter and is provided by municipal or privately employed staff.

As mentioned above, it is difficult to compare statistics on home help in the Nordic countries. Whereas the figures concerning Denmark and Norway are situation statements, the Icelandic and Finnish data contain information on the number of people who received assistance during the year. The Swedish data cover persons who as at October have been awarded home help. Besides, the Finnish statistics cover households, whereas they in the other countries cover people.

Table 7.18 People under 65 years receiving home help, 2002

| | Denmark ¹⁾ | Finland ²⁾ | Iceland | Norway ³⁾ | Sweden ⁴⁾ |
|--|-----------------------|-----------------------|---------|----------------------|----------------------|
| Recipients of home help under 65 years, total | 31 020 | 32 242 | 3 654 | 26 036 | 14 836 |
| Recipients of home help as percentage of the age groups under 65 years | 0.7 | 0.7 | 1.4 | 0.7 | 0.2 |

1 People under 67 years.

2 Households. Out of the 32 242, 6 455 were disabled.

3 Households under 67 years, including residents in service housing who receive practical assistance (home help).

4 Includes people in their own homes who had been granted home help as at 1 October 2002.

Personal Assistance

In all the Nordic countries, people with severe disabilities qualify for financial support towards payment of personal assistance and help to cope with daily life.

In Denmark, persons under 67 years who suffer from a considerably and permanently reduced physical or mental capacity, and who need personal help and support to carry out the necessary practical chores in their homes for more than 20 hours per week, may choose to have a supplement towards payment of the employment of assistants. Besides, local authorities may grant a supplement to cover the expenses of employment of assistants to carry out care, surveillance and accompaniment to persons suffering from a considerably and permanently reduced physical or mental capacity and who are active in some way, for example in connection with work, which makes it necessary to grant very special support. At the end of 2002, 1 475 persons were covered by the schemes for employment of assistants.

Local authorities also grant 15 hours of accompaniment per month to persons under 67 years, who are unable to get about by themselves due to a considerably and permanently reduced physical or mental capacity. Besides,

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local authorities may grant assistance by way of a special contact person to people who suffer from reduced sight and hearing, and see to it that people suffering from mental disabilities get offered a support and contact person. At the end of 2002, 12 038 people were covered by the accompaniment and contact-person schemes.

In Finland, local authorities may improve a severely disabled persons course of life in his own home by granting a financial supplement towards payment of a personal assistant. This supplement is earmarked for severely disabled persons who are highly in need of the help of others to manage daily life. The need for help and support must be assessed by a doctor, and where necessary, also by another employee from the social and health service. In 2002, 3 517 people were covered by the scheme.

Also in Iceland, personal assistance to deal with daily life may be granted. It is possible for a disabled person to employ a personal assistant direct and thus assume the role of employer in relation to the assistant.

Personal assistance may also be granted to people who need to free themselves from social isolation. Finally, families with disabled children may receive relief from another family who takes care of the child/children - usually one or two weekends a month.

In Norway, there are also schemes for personal assistance, and local authorities may offer their help by way of user-dependent assistance. The number of assistance hours shall be determined by an individual's need for help. What signifies this scheme is that the recipient of the help acts as an employer for the assistant and thus assumes a larger responsibility for the organization and the scope of the help in relation to his own needs. Since 1994, local authorities have been subsidized in order for them to promote such schemes. In 2001, local authorities received subsidies for 796 persons. For those who do not wish to receive assistance in this way, it is the local authorities' responsibility to offer some other kind of help, such as home help or a "support contact". The number of hours will be determined by an individual's need. Since 1997, a pilot project with function assistants has been running. The assistants are to provide practical help, during working hours, to people who are severely disabled, and are managed by the recipient. The aim is to enable severely disabled people to remain in normal employment and to enable those who have not previously been in the labour market to assume a normal job.

In Sweden, people are entitled to personal assistance if they, due to severe, permanent disabilities, need help with their personal hygiene, meals, dressing or communication with others (the so-called basic needs). Help may also be granted to other needs in daily life, if these cannot be managed

in any other way. Personal assistance is based on the condition that the assistance must provide a disabled person with increased possibilities of leading an independent life. Help and assistance must be available at different times day and night and must be offered by a limited number of people. Personal assistance is granted by way of a personal assistant or a financial supplement to employment of such an assistant. Local authorities cover the expenses for up to 20 hours of assistance per week. Should the need exceed 20 hours per week, Central Government shall cover the expenses for the hours exceeding 20. In 2001, about 14 000 people received personal assistance.

Rehabilitation

In all five countries, there are specialized institutions for retraining, assessment of working capacity and re-schooling of disabled people and other occupationally impaired groups. Furthermore, sheltered workshops have been established for disabled people who are unable to maintain a job in the open labour market.

In Denmark, people with reduced working capacities are offered training, assessment of working capacity, sheltered employment, etc., at rehabilitation institutions and sheltered workshops. At the end of 2002, these measures covered 22 179 people. People with permanent limited working capacities may furthermore find employment with private or public employers in flex-jobs or wage-subsidized sheltered jobs. Flex-jobs are given to persons who are not receiving any social pension whereas sheltered jobs are given to disability/anticipatory pensioners. At the end of 2002, there were 21 600 people in flex-jobs and 6 000 in sheltered jobs.

In Finland, the Social Insurance Institution offers rehabilitation including assessment of working capacity. The health sector provides the largest part of the medical rehabilitation. The accident and traffic insurances furthermore offer rehabilitation to their own clients. Besides, the employment-pension funds may initiate rehabilitation in order to prevent a person from becoming incapacitated for work or to improve the ability and capacity for work of the person in question and to ease his return to the labour market. War veterans may also be offered rehabilitation, and war invalids are offered rehabilitation at least every second year.

In Iceland, disabled people are offered retraining and education, sheltered employment in the open labour market or in sheltered workshops. In 2000, 318 people were employed in sheltered workshops, and 568 people were undergoing rehabilitation at rehabilitation institutions. 335 people were able to participate in work in the open labour market with special support. The health sector is responsible for the medical rehabilitation and technical aids.

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In Norway, the labour-market and social-insurance authorities co-operate when it comes to measures aimed at activating the disabled in the labour market. People with reduced working capacities may have their work adapted according to their special needs. It is also possible to borrow various technical aids from the technical-aids centres. There are sheltered workshops for people with reduced working capacities. Besides, people with disabilities may receive treatment and guidance at a number of retraining institutions. Disabled people, who have no connection with the labour market, may also borrow technical aids to ease their daily life.

A comprehensive occupational rehabilitation is offered to the extent necessary and expedient for the person in question in order for him to return to working life or to keep a suitable job. The aim of the occupational rehabilitation is to enable job seekers and employees of ill health to get a job on ordinary terms. Occupational rehabilitation is based on training, job training and guidance. Assistance to people who undergo rehabilitation or occupational rehabilitation is calculated on the basis of the pensionable income from the last year or from an average of the last three years prior to the working ability becoming reduced by at least 50 per cent. The benefit amounts to 66 per cent of the calculation basis. Besides, supplements are payable towards special costs in connection with rehabilitation, such as travel expenses.

In Sweden, people with reduced working capacities may participate in various labour-market measures via the employment service. In 2001, about 56 800 people with reduced working capacities participated in special programmes for the disabled, such as wage subsidies and publicly subsidized work. A person who, due to a disability, cannot get a job in the open labour market may find employment at The Institution for Sheltered Work through the employment service. At the end of 2001, about 24 400 incapacitated people were employed in this way. The Institution for Sheltered Work took on about 2 100 people in 2001. In the recruitment process, people with mental and intellectual incapacities as well as people with several disabilities are given priority.

Support Services and Leisure Activities

In the Nordic countries, disabled people are offered various kinds of support services and activating measures either on a municipal or on a private basis. The range of services and activities offered varies from one country to another and from one municipality to another. No comparable statistics are available to reflect the extent of such activities.

Support schemes are mainly aimed at enabling disabled people to remain in their own homes for as long as possible. The service schemes include delivery of meals, telephone chains, home-visiting schemes, physiotherapy and occupational therapy, hairdressing and pedicure, gardening and snow clearing. There are also schemes for washing and mending clothes. There are no centrally agreed policies regarding payment, but usually a fee is charged for the provision of meals, pedicure and gardening. In all the countries there are so-called daytime measures aimed at various target groups, such as people with mental disabilities, to provide help by way of rehabilitation, employment and sense of community.

The transport service scheme is a service to the elderly and the disabled who are unable to use public transport or to get about on their own.

Survivors

Pensions to Widows and Widowers

- of Still Decreasing Importance

Changes during the past decades regarding family patterns, increasing participation by women in the labour market and changes in the distribution of income between spouses have caused legislative changes within this field.

In Denmark, pension to widows and widowers has been abolished. Widows and widowers may in Denmark apply for ordinary disability/anticipatory pension, which in this report is termed special old-age pension. Pensioners, who cohabit with another pensioner, may in the event of their partner's death be paid a short-term survivor's pension consisting of both pensioners' total pension for three months. The number of recipients of survivor's pension is not registered separately. A survivor's allowance is payable to non-pensioners whose spouse or partner dies. The survivor's allowance is income- and property-adjusted and will be granted as a non-recurrent payment. In 2002, 2 385 people were granted survivor's allowance, of whom 1 045 people were under the age of 67.

In Finland, the pension paid is influenced by a survivor's own employment pension as well as by one's own pension, or one's own estimated employment pension. In Iceland, survivor's pension has been abolished as a basic pension, but is still being paid by the employment-pension scheme. In

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Norway and Sweden, entitlement to survivor's pension is subject to a survivor's ability to provide for him/herself. In Sweden, the current widow's pension shall lapse on a long-term basis for most survivors.

In Finland, Norway and Sweden, widows and widowers are entitled to survivor's pension by way of basic pension/guaranteed minimum pension and employment pension.

The basic pension/guaranteed minimum pension shall be revoked when a survivor becomes entitled to the basic pension/guaranteed minimum pension from the retirement-pension scheme. The basic pension/guaranteed minimum pension shall also be revoked in the event that a survivor is awarded disability/anticipatory pension. Pension is payable to a survivor by way of an employment pension or a supplementary pension.

In Norway, there are favourable rules governing the employment pension in the Social Security Scheme's old-age and disability/anticipatory pension system for survivors. They can choose their own employment pension, the deceased's accumulated employment pension or 55 per cent of the sum of their own and the deceased's accumulated employment pension.

In some of the countries, funeral assistance is also granted.

Table 7.19 Pensioners aged 18-64/66 years receiving statutory survivor's pension, 1995-2002

| | Denmark ¹⁾ | | Finland ²⁾ | | Iceland ³⁾ | | Norway ⁴⁾ | | Sweden ⁵⁾ | |
|------|-----------------------|---|-----------------------|--------|-----------------------|-------|----------------------|--------|----------------------|--------|
| | M | W | M | W | M | W | M | W | M | W |
| 1995 | . | . | 5 814 | 52 767 | 171 | 735 | 1 854 | 30 023 | 2 147 | 64 423 |
| 2000 | . | . | 7 945 | 46 292 | 1 459 | 2 176 | 2 001 | 25 086 | 1 617 | 53 254 |
| 2001 | . | . | 8 309 | 45 135 | 1 707 | 2 209 | 2 059 | 24 452 | 1 581 | 51 173 |
| 2002 | . | . | 8 559 | 43 895 | 1 678 | 2 471 | 2 056 | 23 858 | 1 510 | 49 353 |

1 The widow's pension scheme has been abolished. Pension may be granted to widows by way of the disability/anticipatory pension scheme.

2 Widows/widowers over 64 years may be granted survivor's pension by way of employment pension. In 2002, the number of pensioners over 64 years receiving survivor's pension was 183 817 women and 20 795 men.

3 From 1999, only pensioners aged 16-65 years receiving employment pension.

4 Not including widows and widowers receiving disability/anticipatory pension. Widows/widowers under 67 years. In 2002 including 138 people over 67 years.

5 Includes widow's pension to people under 65 years as well as transition pension and special pension to survivors. On 1 January 1997, the transition pension period was reduced from 12 to six months. As at 1 April 1997, the widow's pension from the statutory retirement pension scheme became income-adjusted.

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Table 7.20 Average monthly amount of statutory survivor's pension, 2002

| | KR/EUR | | | PPP-Euro | | |
|-----------------------|--------|-------|-------|----------|-------|-----|
| | Men | Women | All | Men | Women | All |
| Denmark | . | . | . | . | . | . |
| Finland ¹⁾ | 460 | 175 | 428 | 374 | 142 | 348 |
| Iceland | .. | .. | .. | .. | .. | .. |
| Norway | 6 348 | 4 250 | 6 181 | 584 | 391 | 569 |
| Sweden ²⁾ | 3 542 | 4 996 | 3 585 | 330 | 465 | 334 |

1 Amount paid on average as at December.

2 Average amount as at December 2002 to pension recipients under 65 years by way of widow's pension, transition pension and special pension to survivors from both the basic pension and the labour market employment pension schemes.

Child Pension

- Children are Secured in Case of Parents' Deaths

In all the Nordic countries, child pension has been introduced by way of a basic pension and an employment pension. Child pension is granted to children under 18 years if one or both parents have died. In Denmark, a special child allowance is granted to orphans and to children who have lost one of their parents.

Table 7.21 Children receiving child pension by way of basic pension and/or employment pension. Total and as percentages of children of the qualifying age groups, 1995-2002¹⁾

| | Denmark | Finland | Iceland ²⁾ | Norway | Sweden |
|---|---------|---------|-----------------------|-------------------|-------------------|
| <i>Number of children receiving child pension</i> | | | | | |
| 1995 | 17 590 | 29 338 | 1 325 | 13 658 | 31 208 |
| 2000 | 17 278 | 28 476 | 1 300 | 14 074 | 29 570 |
| 2001 | 17 528 | 28 072 | 1 288 | 14 316 | 29 329 |
| 2002 | 17 698 | 27 671 | 1 322 | 14 092 | 29 350 |
| <i>As percentage of children of the qualifying age groups</i> | | | | | |
| 2002 | 1.5 | 2.1 | 1.7 | 1.3 ³⁾ | 1.4 ³⁾ |

1 Entitled were, in 2002, children of widows and widowers as well as orphans; in Finland, Iceland, Norway and Sweden, children under 18 years (in some cases up to 20 years). As to Denmark, child pension has been listed with orphans and children of widows and widowers receiving the special child supplement.

2 Only basic pension.

3 In per cent of children 0-19 years.

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In Finland, Iceland, Norway and Sweden, child pension may be payable until a child turns 20 years if the child/youth is receiving education. In Norway, this applies only if both parents are deceased. Child pension, which is granted due to education or vocational training to young people in the age group 18–20 years is payable according to the Social Assistance Act. In Norway, the pension may in exceptional cases be granted to 21 year-olds.

In Denmark, Finland, Norway and Sweden, child pension may furthermore be granted by way of supplementary pension if a deceased was a member of such a pension scheme.

Table 7.22 The average monthly statutory amount of child pension, 2002

| | Denmark | Finland | Iceland ¹⁾ | Norway ¹⁾ | Sweden |
|----------|---------|---------|-----------------------|----------------------|--------|
| KR/EUR | 838 | 271 | 15 076 | 1 720 | 2 684 |
| PPP-Euro | 86 | 220 | 134 | 158 | 250 |

1 Amount paid on average as at December.

Expenditure on and Financing of Benefits and Services to the Elderly, the Disabled and Survivors

Differences and Similarities in the Social Expenditure on the Elderly, the Disabled and Survivors

In the following, differences and similarities in expenditure on the elderly, the disabled and survivors are described. Unless otherwise stated, comparisons are made in PPP per capita. Denmark is the Nordic country spending the most on cash benefits to the elderly, and Iceland is the country spending the least.

Regarding expenditure on old-age pensions, calculated in PPP per pensioner, Denmark spends the most and Finland the least. As regards services, calculated as PPP per person aged 65 years or older, expenditure is highest in Norway and lowest in Finland.

The low expenditure on services for the elderly in Finland must be seen partly in connection with part of the services for the elderly being provided at Finnish health centres and partly in connection with relatively high rates of user charges.

In total, Denmark and Sweden spend the most and Iceland the least on the elderly, calculated as PPP per capita. The low expenditure in Iceland is due to the high employment rate among the elderly compared with the other Nordic countries.

In respect of the disabled, Norway spends the most and Iceland the least on cash benefits per capita. In return, Denmark spends the most on disability/anticipatory pension per disability/anticipatory pensioner, while Finland spends the least. The expenditure on services to the disabled is highest in Denmark and Sweden and lowest in Finland. In total, Norway spends the most and Iceland the least on the disabled, calculated as PPP per capita. As to survivors, Finland spends the most and Denmark the least.

Changes in the Social Expenditure on the Elderly, the Disabled and Survivors from 2001 to 2002

In Denmark, the expenditure on the Labour Market Supplementary Pension Scheme and employment pensions increased considerable from 2001 to 2002. There was also a slight increase in the expenditure on old-age pensions as a result of an increase in the number of old-age pensioners. The expenditure on the voluntary early retirement scheme increased as a result of a demographically conditioned increase in the number of recipients of 8 700 from 2001 to 2002. This was counterbalanced by a decrease in the expenditure on the transition allowance, as the closing of the access to this scheme resulted in a further decline in the number of recipients of about 4 500 from 2001 to 2002. To this should be added a decrease in the expenditure on the ordinary disability/anticipatory pensions under special old-age pensions as a result of a decline in the number of disability/anticipatory pensioners of 9 000 from 2001 to 2002.

In return, the expenditure on the highest and the intermediate disability/anticipatory pension increased from 2001 to 2002 as a result of an increase in the number of pensioners of almost 9 900. Moreover, there was an increase in the expenditure on care and nursing, etc., for both the elderly and the disabled, and on the expenditure on institutions, collective housing units, etc., for the disabled.

In Finland, the expenditure on the elderly increased by 4 per cent in 2002. The number of old-age pensioners increased by 14 000 people, and the number of partial pensioners increased by 10 500 people. The average old-age pension was 5 per cent higher in 2002 than in 2001. Furthermore, enhanced efforts were made in the care sector, especially of a general na-

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ture, where the expenditure increased by 4 per cent. The expenditure on the disabled increased by 2 per cent. The number of disability pensioners also declined in 2002 by 700 people due to the number of individual disability pensioners declining as a result of the increased age limit in 2001. The expenditure on care for the disabled increased by 5 per cent, and especially so the expenditure on rehabilitation and home help. The number of people who received survivor's pension increased by 1 800 people and made the expenditure increase by 2 per cent. On the other hand, the number of recipients of child pension decreased.

In Iceland, the expenditure on the elderly increased by 12.1 per cent in terms of 2002 prices, of which the expenditure on services increased by 23.5 per cent and 8.2 per cent on cash benefits. The expenditure on employment pension increased by 11.4 per cent as a result of the wage/salary development and of the fact that new pensioners were on average entitled to a higher employment pension than were those who already received the pension. In comparison, the expenditure on the basic pension increased by 5.2 per cent. The basic pension decreases when the employment pension increases. The increase in the expenditure on services was due to wage/salary increases as well as to an expansion of the institutions and especially of the number of places in the residential care homes. The expenditure on the disabled increased by 10.7 per cent in terms of 2002 prices both on cash benefits and services. The employment pension increased by 10.1 per cent and the basic pension by 11.2 per cent. The increase in the expenditure on basic pensions was a result of an increase in the number of disability pensioners. The increase in the expenditure on services was a result of wage increases and an increased service level both in and out of the institutions and on other kinds of help. The expenditure on survivors increased by 8.9 per cent, mainly due to an increase in the employment pension.

In Norway, only the expenditure on basic pension and supplementary pension, but not on additional pension, can be compared with 2001. This applies to old-age pension, anticipatory pension and pension to survivors. The expenditure on basic and supplementary pensions to old-age pensioners increased by 2.1 and 6.7 per cent, respectively, from 2001 to 2002 at constant prices, although the number of old-age pensioners decreased. The increase in the expenditure is mainly a result of an increase in the number of pensioners, who are entitled to supplementary pension. The expenditure on basic and supplementary pensions to anticipatory pensioners increased by 9.6 and 8.7 per cent, respectively, but the expenditure on basic and supplementary pensions to survivors remained the same at constant prices.

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The changes in the breakdown of the additional pensions on old-age pensioners, anticipatory pensioners and survivors are partly due to changes in the data basis from 2001 to 2002, as the breakdown in 2002 is the same as in the national accounts.

Table 7.23 Expenditure on and financing of pensions, other cash benefits and services to the elderly, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|---------|---------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, million</i> | | | | | |
| A. Old-age pensions | 93 632 | 9 492 | 34 494 | 82 103 | 209 176 |
| Of which: | | | - | | |
| a. Basic/Minimum pension | 60 031 | 1 829 | 17 206 | 34 491 | 54 383 |
| b. Employment pension | 4 410 | 7 357 | 17 288 | 38 195 | 106 842 |
| c. Additional pension | 29 091 | 306 | - | 9 416 | 47 951 |
| B. Special old-age pensions | 30 406 | 731 | - | 604 | |
| C. Partial retirement pension | 165 | 223 | - | - | 161 |
| D. Other | 31 | 118 | - | - | 2 |
| Cash benefits, total | 124 234 | 10 564 | 34 494 | 82 707 | 209 339 |
| <i>Services, million</i> | | | | | |
| A. Institutions, etc. | 2 031 | 554 | 12 250 | 16 372 | 46 117 |
| B. Assistance to carry out daily tasks | 21 587 | 368 | 763 | 11 483 | 16 302 |
| C. Other | 1 166 | 306 | 448 | 2 723 | 3 047 |
| Services, total | 24 784 | 1 228 | 13 461 | 30 578 | 65 466 |
| Total expenditure, million | 149 019 | 11 792 | 47 955 | 113 285 | 274 805 |
| Expenditure as percentage of GDP | 11.0 | 8.4 | 6.2 | 7.4 | 11.7 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 50.8 | 21.8 | 29.0 | 52.5 | 32.6 |
| - Employers | 21.5 | 64.2 | 53.5 | 28.2 | 43.9 |
| - The insured (contributions and special taxes) | 27.6 | 14.1 | 17.5 | 19.2 | 23.5 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million KR/EUR | 1 743 | 601 | 5 188 | .. | 9 618 |
| - Per cent | 1.2 | 5.4 | 12.1 | .. | 3.6 |

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Table 7.24 Expenditure on and financing of pensions, other cash benefits and services to disabled people, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|---------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, million</i> | | | | | |
| A. Disability/Anticipatory pensions | 23 313 | 2 890 | 14 713 | 40 448 | 56 473 |
| Of which: | | | - | | |
| a. Basic/Minimum pension | 23 313 | 678 | 10 501 | 15 654 | 15 990 |
| b. Employment pension | - | 2 197 | 4 212 | 20 386 | 28 721 |
| c. Additional pension | - | 15 | - | 4 408 | 11 762 |
| B. Early retirement benefit due to reduced working capacity | 2 831 | 290 | - | - | - |
| C. Care allowance | - | 79 | - | 2 823 | 3 108 |
| D. Subsidies to financial integration of the disabled | 5 429 | 70 | - | 12 236 | 1 834 |
| E. Other | 2 503 | 293 | 201 | 107 | - |
| Cash benefits, total | 34 075 | 3 622 | 14 914 | 55 614 | 61 415 |
| <i>Services, million</i> | | | | | |
| A. Institutions, etc. | 7 983 | 142 | 3 173 | 642 | 13 916 |
| B. Assistance to carry out daily tasks | 4 450 | 256 | 133 | 3 116 | 15 602 |
| C. Rehabilitation | 2 626 | 454 | 4 451 | 9 080 | 3 460 |
| D. Other | 1 839 | 326 | 617 | 887 | 7 622 |
| Services, total | 16 898 | 1 178 | 8 375 | 13 725 | 40 600 |
| Total expenditure, million | 50 973 | 4 800 | 23 289 | 69 339 | 102 015 |
| Expenditure as percentage of the GDP | 3.7 | 3.4 | 3.0 | 4.6 | 4.3 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 64.0 | 35.0 | 44.5 | 41.6 | 42.5 |
| - Employers | 6.1 | 50.0 | 44.8 | 34.3 | 56.2 |
| - The insured (contributions and special taxes) | 29.8 | 14.9 | 10.7 | 24.1 | 1.3 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million | 2 507 | 107 | 2 254 | .. | 8 498 |
| - Per cent | 5.2 | 2.3 | 10.7 | .. | 9.1 |

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Table 7.25 Expenditure on and financing of cash benefits and services to survivors, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, million</i> | | | | | |
| A. Survivors' pensions | 1 | 1 344 | 4 794 | 5 421 | 15 389 |
| Of which: | | | | | |
| a. Basic/Minimum pension | - | 41 | 290 | 1 241 | 686 |
| b. Employment pension | - | 1 251 | 4 504 | 1 009 | 13 735 |
| c. Additional pension | 1 | 52 | - | 3 171 | 968 |
| B. Death grants | - | 39 | 73 | - | - |
| C. Other | - | - | - | 15 | - |
| Cash benefits, total | 1 | 1 383 | 4 866 | 5 436 | 15 389 |
| <i>Services, million</i> | | | | | |
| A. Funeral grants | 142 | 5 | - | 242 | - |
| B. Other | - | - | - | - | - |
| Services, total | 142 | 5 | - | 242 | - |
| Total expenditure, million | 143 | 1 388 | 4 866 | 5 678 | 15 389 |
| Expenditure as percentage of the GDP | 0.0 | 1.0 | 0.6 | 0.4 | 0.7 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 100.0 | 7.0 | 1.4 | 44.4 | 0.0 |
| - Employers | 0.0 | 73.5 | 69.7 | 38.4 | 97.3 |
| - The insured (contributions and special taxes) | 0.0 | 19.5 | 28.9 | 17.2 | 2.7 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million | -3 | 27 | 399 | .. | 169 |
| - Per cent | -2.0 | 2.0 | 8.9 | .. | 1.1 |

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Table 7.26 Expenditure on cash benefits to the elderly, the disabled and survivors in PPP/capita and per pensioner, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| <i>The elderly</i> | | | | | |
| Cash benefits per capita | 2 380 | 1 656 | 1 067 | 1 677 | 2 182 |
| Old-age pension per pensioner | 13 523 | 13 900 | 10 953 | 12 108 | 12 044 |
| Services per person | | | | | |
| 65 years and older | 3 202 | 1 262 | 3 575 | 4 170 | 3 974 |
| Total benefits and services to the elderly per capita | 2 855 | 1 848 | 1 483 | 2 297 | 2 865 |
| <i>The disabled</i> | | | | | |
| Cash benefits per capita | 653 | 568 | 461 | 1 128 | 640 |
| Disability/anticipatory pension per pensioner | 13 892 | 13 156 | 11 426 | 12 737 | 10 755 |
| Services per capita | 324 | 185 | 259 | 278 | 423 |
| Total benefits and services to the disabled per capita | 977 | 752 | 720 | 1 406 | 1 064 |
| <i>Survivors</i> | | | | | |
| Total per capita | 3 | 218 | 150 | 115 | 160 |

Services to the elderly and the disabled in 2002 cannot be compared with similar figures from 2001. In 2001, certain earmarked state subsidies form part of the expenditure on the social sector. In 2002, some of these transfers from the State were included in the block grant to the municipalities, which means that part of the expenditure may be used for objectives that are not included in the ESSPROS. Furthermore, user charges have been deducted.

In Sweden, the expenditure on the elderly increased by 3.6 per cent, on the disabled by 9.1 per cent and on survivors by 1.1 per cent. The reason for the expenditure increase on the elderly is mainly due to the continuing ageing population and consequently expenditure increases on both pensions and institutions. When it comes to the disabled, the increase is due to the number of disability/anticipatory pensioners continuing to increase, which also makes itself felt in large increases in the service expenditure. As to survivors, there has been a limited development.

User Charges

User charges payable for stays in nursing homes, institutions for elderly and disabled people as well as for home help are levied according to different sets of rules in the Nordic countries.

OLD AGE, DISABILITY AND SURVIVORS

The conditions concerning user charges payable for stays in nursing homes/old people's homes and institutions for disabled people are defined centrally (by Central Government) in Denmark, Finland, Iceland and Norway, but de-centrally (by the local authorities) in Sweden.

In Denmark, residents in nursing homes, etc. are paid their pension in full and must then pay for services provided as part of their stay in the nursing home, such as rent, meals, hairdressing and laundry services. In return, care and cleaning are free of charge. User charges are estimated to amount to about 10 per cent of the total expenditure. The permanent home help service is free of charge. In return, temporary home help must be paid for, depending on income. User charges amounted to about DKK 23 million in 2002.

In Finland, user charges payable for long-term care of the elderly depend on a patient's income. In 2002, user charges amounted to 19 per cent of the total expenditure. In institutions for mentally disabled people, user charges amounted to 4 per cent of the total expenditure. User charges for home help depend on a household's income. User charges amounted to about 15 per cent of the total expenditure on home help.

In Iceland, the proportion of user charges of the total expenditure cannot be calculated, but user charges for home help amounted to 8.1 per cent of the municipal expenditure.

In Norway, user charges payable for stays in institutions depend on a patient's income and are fixed on the basis of centrally laid down rules. User charges amount to a maximum of 85 per cent of the income. User charges for stays in institutions amount to about 13 per cent of the total running costs of the institution. User charges payable for home help are fixed by the individual municipalities, but the amount must not exceed the actual costs. If an income is low, user charges may not exceed NOK 150 per month. Besides, user charges may not be charged for that part of the help that is personal care and nursing.

In Sweden, local authorities are basically at liberty to fix the amount of user charges within the care schemes for the elderly and the disabled. User charges must not exceed the local authorities' own expenses, however.

Chapter 8

Housing Benefits

Table 8.1 Expenditure on housing benefits as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|-----|---------|-----|-----------------|-----|
| Denmark | 2.3 | Austria | 0.3 | Italy | 0.1 |
| Finland | 1.1 | Belgium | .. | Luxembourg | 0.6 |
| Iceland | 0.7 | France | 2.9 | The Netherlands | 1.3 |
| Norway | 0.6 | Germany | 0.7 | Portugal | 0.0 |
| Sweden | 2.0 | Greece | 2.7 | Spain | 0.9 |
| | | Ireland | 3.3 | United Kingdom | 5.4 |

Note: See Table 4.1.

Housing Benefits to Families

- Housing Benefits are Income-Adjusted and Tax-Free

In all the countries, housing benefits are granted to both families with children and childless families. In Norway, housing benefits are usually only granted to childless families if at least one person receives other cash benefits. The rules governing housing benefits to families with children are more favourable than those applying to childless families.

In Denmark and Iceland, the benefit is only payable to families who live in rented accommodation. In the other countries, families who own their accommodation may also qualify for housing benefit. A family's income, its housing costs and the number of children in the household are taken into consideration when a benefit is being granted. The schemes vary greatly from one country to another.

In all the countries, housing benefits are means-tested. In addition to the housing benefit, a subsidy may be granted, which will partly or fully cover any deposit, in order to enable people with a poor economy to find appropriate and reasonable accommodation.

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Table 8.2 Average housing benefit per month to families, 2002

| | Denmark | Finland | Norway | Sweden ¹⁾ |
|---|---------|---------|--------|----------------------|
| <i>Average housing benefit per month per family, KR/EUR</i> | | | | |
| Married and cohabiting couples | | | | |
| - with children | 1 341 | 259 | 2 144 | 1 778 |
| - without children | 525 | 159 | 2 003 | 792 |
| Single people | | | | |
| - with children | 1 777 | 268 | 1 794 | 1 622 |
| - without children | 417 | 162 | 1 617 | 675 |
| <i>Average housing benefit per month per family, PPP-Euro</i> | | | | |
| Married and cohabiting couples | | | | |
| - with children | 138 | 211 | 197 | 165 |
| - without children | 54 | 129 | 184 | 74 |
| Single people | | | | |
| - with children | 183 | 218 | 165 | 151 |
| - without children | 43 | 131 | 149 | 63 |

1 December 2002.

In Finland and Norway, also social assistance may be granted in cases where housing costs are high in relation to income.

At the beginning of the 1990s, there was a marked increase in the number of beneficiaries. This mainly applied to single providers due to an increase in the unemployment rate in several of the countries.

In Denmark, recent years have seen a slight increase in the number of households that receive housing benefits, despite the continuing decrease in the unemployment rate and the reform of the rules governing the housing benefits, which will be implemented gradually from 1999 to 2004. The amendment of the rules will result in an increase in that part of the rent costs, which the recipients of the housing benefits will have to pay themselves, as well as a reduction of the maximum income amount to which the benefit may be granted. The increase in the number of recipients of housing benefits that are awarded upon application, is probably a result of the fact that an increased number of the households, which are entitled to the benefit, has applied and been awarded housing benefits.

The number of housing-benefit recipients in Finland decreased as from 2000, as the majority of the students, who live in rented accommodation, were granted a housing supplement to their study grants instead of the ordinary housing benefits. In Sweden, childless households lost their entitlement to housing benefits as from 1996 in case the applicant was over 28

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Table 8.3 Families receiving housing benefit at the end of the years 1995-2002

| | Denmark | Finland | Iceland ¹⁾ | Norway | Sweden |
|--------------------------------|---------|---------|-----------------------|--------|---------|
| <i>Number of recipients</i> | | | | | |
| <i>1995</i> | | | | | |
| Married and cohabiting couples | 33 610 | 74 402 | 645 | 5 016 | 198 044 |
| - with children | 21 672 | 49 753 | 372 | 5 016 | 180 798 |
| - without children | 11 938 | 26 649 | 273 | .. | 17 246 |
| Single people | 141 265 | 139 414 | 1 976 | 13 740 | 352 416 |
| - with children | 66 026 | 55 838 | 657 | 13 740 | 228 021 |
| - without children | 75 239 | 75 974 | 1 319 | - | 124 395 |
| <i>2000</i> | | | | | |
| Married and cohabiting couples | 33 619 | 33 359 | 780 | 5 360 | 50 016 |
| - with children | 21 284 | 25 559 | 417 | 4 954 | 47 622 |
| - without children | 12 335 | 7 800 | 363 | 406 | 2 394 |
| Single people | 136 051 | 136 993 | 3 681 | 17 982 | 195 368 |
| - with children | 61 700 | 50 184 | 1 296 | 15 725 | 161 548 |
| - without children | 74 351 | 86 809 | 2 385 | 2 257 | 33 820 |
| <i>2001</i> | | | | | |
| Married and cohabiting couples | 33 194 | 29 594 | 937 | 5 400 | 45 065 |
| - with children | 20 133 | 24 040 | 530 | 5 012 | 43 031 |
| - without children | 13 061 | 5 554 | 406 | 388 | 2 034 |
| Single people | 139 371 | 128 872 | 4 533 | 18 587 | 185 124 |
| - with children | 62 273 | 45 804 | 1 601 | 15 974 | 155 255 |
| - without children | 77 098 | 83 068 | 2 932 | 2 613 | 29 869 |
| <i>2002</i> | | | | | |
| Married and cohabiting couples | 34 297 | 28 906 | 1 017 | 5 936 | 40 045 |
| - with children | 19 975 | 23 318 | 584 | 5 520 | 38 319 |
| - without children | 14 322 | 5 588 | 433 | 416 | 1 726 |
| Single people | 145 877 | 130 711 | 4 886 | 18 814 | 175 180 |
| - with children | 64 512 | 45 693 | 1 654 | 16 022 | 146 474 |
| - without children | 81 365 | 85 018 | 3 232 | 2 792 | 28 706 |

1 1995=1996. 2002 is for the month of May (not December).

years of age, and many other childless households, who had received housing benefit according to special rules, also lost this benefit. As from 1997, a number of significant rules were introduced, which resulted in a decrease in the number of households receiving housing benefits. One of the most important changes is a new income-adjustment system, where temporary and permanent benefits are subject to an applicant's taxable income. Besides, the possibilities of receiving the benefit became limited, and individual income ceilings were fixed for cohabiting parents. In Norway, the housing benefits scheme was gradually extended in that the requirements of the accommodation were reduced.

Housing Benefits to Pensioners

- Support to Pensioners with Low Incomes

In all the Nordic countries, housing benefits are payable to pensioners. The amount of the housing benefit depends on a pensioner's personal income, rent costs, etc.

Table 8.4 Pensioners receiving housing benefit at the end of the years 1995-2002

| | Denmark | Finland | Norway | Sweden |
|----------------------------------|---------|---------|--------|---------|
| <i>1995</i> | | | | |
| Married or cohabiting pensioners | 68 872 | 10 484 | 5 771 | 42 300 |
| Single pensioners | 263 130 | 131 557 | 42 869 | 512 300 |
| Total | 332 002 | 145 289 | 48 640 | 554 700 |
| <i>2000</i> | | | | |
| Married or cohabiting pensioners | 61 577 | 9 077 | 4 271 | .. |
| Single pensioners | 269 161 | 139 451 | 78 547 | .. |
| Total | 330 738 | 152 464 | 82 818 | 458 337 |
| <i>2001</i> | | | | |
| Married or cohabiting pensioners | 59 584 | 8 849 | 4 142 | .. |
| Single pensioners | 267 574 | 141 668 | 80 517 | .. |
| Total | 327 158 | 154 620 | 84 659 | 455 879 |
| <i>2002</i> | | | | |
| Married or cohabiting pensioners | 58 527 | 8 587 | 3 794 | .. |
| Single pensioners | 267 362 | 143 041 | 78 160 | .. |
| Total | 325 889 | 155 695 | 81 954 | 455 380 |

In Denmark, the benefit may also be granted to pensioners who own the house or flat they live in, but only by way of a loan, as well as to pensioners who live in housing society dwellings, where the support will be granted by way of a supplement (40 per cent) and a loan (60 per cent). A heating supplement may be granted by way of personal supplements according to the Pensions Act to help cover heating costs. In Finland, housing benefits may be granted on the grounds of age or pension. In Iceland, a special pension supplement that is not directly linked to the housing benefit, may be

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granted mainly to pensioners, who live alone and have a low income. In Norway, housing benefits are payable to recipients of old-age, anticipatory and survivor's pensions. In relation to these target groups, there are no requirements as to the accommodation if the income does not exceed the minimum pension amount plus 30 per cent (about NOK 118 000 for a single pensioner). In respect of incomes exceeding that amount, requirements concerning the accommodation have to be met in order for housing benefits to be payable, but an upper income limit has been fixed. Not all rented accommodation qualifies for housing benefits for this group. Municipal rented accommodation and housing co-operatives qualify for housing benefits. This also applies to housing units with care facilities to which an establishment supplement is granted. In Sweden, housing benefits are payable to old-age pensioners, recipients of anticipatory pension and to people who receive survivor's pension and who have low personal incomes. The housing benefits are granted according to rules that apply uniformly to the entire country.

Table 8.5 Average housing benefit per month to pensioners, 2002

| | Denmark | Finland | Norway | Sweden |
|--|---------|---------|--------|-----------------------|
| <i>Average housing benefit per month to married or cohabiting pensioners</i> | | | | |
| - KR/EUR | 1 530 | 144 | 1 720 | } 1 884 ¹⁾ |
| - PPP-Euro | 158 | 117 | 158 | |
| <i>Average housing benefit per month to single pensioners</i> | | | | } 175 ¹⁾ |
| - KR/EUR | 1 904 | 133 | 1 281 | |
| - PPP-Euro | 196 | 108 | 118 | |

1 Applies to both couples and single people.

Expenditure on and Financing of Housing Benefits

Differences and Similarities in the Social Expenditure on Housing Benefits

There are distinct differences in the amounts spent by each country on housing benefits, measured in PPP per capita. Although the number of recipients has dropped noticeably, Sweden spends almost as much as Denmark, while Norway spends least, followed by Iceland. Both in Denmark and in Sweden, housing benefits play an important part for pensioners with low pension incomes, but particularly in Sweden, there are many single providers with low incomes who receive housing benefits.

Changes in the Social Expenditure on Housing Benefits from 2001 to 2002

In Denmark, the expenditure on rent subsidies to families increased from 2001 to 2002 as a result of an increase in the number of recipients. The expenditure on housing benefits to pensioners also increased in spite of a slight decrease in the number of recipients. This increase is a result of the average payment of rent subsidies per household having increased.

In Finland, the expenditure on general housing benefits increased by 1 per cent in 2002, and the number of households receiving benefits increased by 1 160. Especially the number of single recipients of housing benefits increased. Housing benefits to pensioners is in Finland part of the pension system, and the expenditure is included in the expenditure on pensions in Chapter 7. A total of EUR 258,5 million was paid in housing benefits to pensioners.

In Iceland, the expenditure on housing benefits increased by 25.7 per cent in terms of 2002 prices. The cost development was due to the price development in the housing market.

In Norway, the expenditure on housing benefits cannot be compared with similar figures from 2001, as the municipal expenditure were also included in 2002. These could previously not be separated from Other Social Benefits. The municipal expenditure is listed under benefits to owner-occupiers but also include benefits to people living in rented accommodation, where the data basis does not make it possible to separate them, just as it is not possible to state how large a part of the expenditure concerns the elderly.

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In Sweden, the expenditure on housing benefits decreased by 3.3 per cent at constant prices, which was a result of the rules governing awards of housing benefits having been fixed at nominal amounts.

Table 8.6 Expenditure on and financing of housing benefits, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Services, million</i> | | | | | |
| A. Housing benefit to people in rented housing | 9 155 | 397 | 1 342 | 1 214 | 14 231 |
| a. Of whom pensioners | 7 118 | - | - | 450 | 7 366 |
| B. Housing benefit to owner-occupiers | - | 16 | - | 1 369 | - |
| a. Of whom pensioners | - | - | - | 212 | - |
| Services, total | 9 155 | 413 | 1 342 | 2 583 | 14 231 |
| Total expenditure, million | 9 155 | 413 | 1 342 | 2 583 | 14 231 |
| Total expenditure per capita, PPP-Euro | 175 | 65 | 42 | 52 | 148 |
| Expenditure as percentage of the GDP | 0.7 | 0.3 | 0.2 | 0.1 | 0.6 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| - Employers | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - The insured (contributions and special taxes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million | 138 | 6 | 274 | .. | -486 |
| - Per cent | 1.5 | 1.4 | 25.7 | .. | -3.3 |

Chapter 9

Other Social Benefits

The previous chapters described the social benefits granted in connection with defined social incidents. In a number of cases, social incidents that are not covered by any specific legislation occur, however. It is difficult to compare the extent of the services provided in such cases, both when it comes to the EU and to the Nordic countries.

Table 9.1 Expenditure on other social benefits, as percentages of the total social expenditure in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|-----|---------|-----|-----------------|-----|
| Denmark | 3.6 | Austria | 1.7 | Italy | 0.2 |
| Finland | 2.0 | Belgium | 1.5 | Luxembourg | 1.0 |
| Iceland | 2.2 | France | 1.3 | The Netherlands | 5.0 |
| Norway | 2.4 | Germany | 1.7 | Portugal | 1.1 |
| Sweden | 2.2 | Greece | 2.3 | Spain | 0.7 |
| | | Ireland | 2.2 | United Kingdom | 0.7 |

Note: See Table 4.1.

Special Circumstances in the Individual Countries

A number of special circumstances in the Nordic countries make it difficult to compare their data in this chapter.

In Denmark, non-insured unemployed people, who do not qualify for unemployment benefit, are entitled to social assistance in the event of unemployment, whereas non-insured unemployed people in Finland and Sweden are entitled to a special labour-market benefit in accordance with the labour-market legislation - and often also supplementary financial assistance.

In all the countries, social assistance falls under special legislation.

In all the countries, there are a number of special benefits that are placed under Other Social Benefits, such as assistance towards payment of removal

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expenses in Denmark, support to servicemen in Finland, assistance to nationals living abroad and support towards payment of non-recurrent expenses.

In all the Nordic countries, wage earners may receive their wages from special wage earners' guarantee funds in the event that insolvency of their employers makes it impossible for them to pay their wages.

Cash Benefits

Social Assistance

- The Last Resort in the Social Safety Net

In all Nordic countries, social assistance will be granted when all other support options in connection with loss of income or in other social situations have been exhausted. Consequently, the assistance, which is means-tested in all the countries, is the last resort of assistance that is granted by the social security systems. It will be given either as a substitute for other sources of income or as a supplement to a very low personal income. The assistance is awarded and granted according to need in order to meet costs of living. In all the countries, the social assistance is subject to a household's income.

The social assistance does not influence the granting of any other social benefits or subsidies in any of the countries.

In Denmark and Iceland, the social assistance is taxable. In Finland, Norway and Sweden, it is a tax-free net benefit.

In Denmark, cash assistance to people, who are obliged to provide for children, equals 80 per cent of the maximum rate of the unemployment benefit. For non-providers, the assistance equals 60 per cent of the unemployment benefit. Young people under the age of 25, who do not have any children living at home, are entitled to special, lower youth benefits. Recipients of cash benefits, who pay high net rents or have large obligations as providers, may furthermore be granted a special benefit that is tax-free. Income such as income from work will be deducted from the cash assistance, whereas child benefits and rent subsidies do not cause the assistance to be reduced. The rent subsidy will, however, be taken into account when the special assistance is calculated.

As from July 1 2002, a condition for being awarded the full cash assistance amount is that one has been a resident in the country for at least seven out of the past eight years. People, who do not comply with this requirement, are entit-

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led to a so-called start assistance, which is lower than the cash assistance. Local authorities may furthermore grant assistance based on need to non-recurrent expenses, removals, medical treatment, medicine, dental treatment and the like, to cash assistance recipients and to others, who are unable to pay the costs.

In case a recipient of cash assistance rejects an offer of work or activation without reasonable course, the local authorities may discontinue payment of the assistance. In case a recipient of cash assistance fails to appear without reasonable course when he has been offered activation, the local authorities may reduce the assistance by up to 30 per cent.

In Finland, Central Government fixes the basic amount of the social assistance each year. Cash assistance may be payable in the event that payment of other benefits is delayed. Local authorities may also grant benefits in time to prevent people from getting into financial difficulties. In case a person on several occasions refuses to accept a job offer or training, the social assistance may be reduced by 20 or 40 per cent.

In Iceland, local authorities are obliged to pay out social assistance to those unable to provide for themselves. The Ministry of Social Affairs has drawn up guidelines for what should be taken into consideration in connection with the award.

In Norway, everyone is in principle responsible for his or her own provision by utilizing all sources of income and other options of provision. This implies that all general forms of income, such as income from work, public and private pensions, family provision, family allowances, cash benefits, governmental housing benefits and other financial options, must be exhausted in full before social assistance becomes payable. The Government has drawn up recommended guidelines for the award of the support, which include the expenditure on the current, daily costs towards maintenance. The governmental recommended guidelines were price-adjusted in 2002, and the rates concerning the upkeep of children were increased beyond what followed from the price-adjustment. The guidelines are a recommended starting point for the estimates that local authorities have to make. There is no upper limit to the amount of the assistance, which may also be granted by way of a loan. The social authorities may in special cases grant financial assistance to people who are in need of help in order to overcome or adapt to a difficult situation where they would otherwise not qualify for social assistance.

In Sweden, the purpose of the social assistance, which is called "financial assistance", is twofold: if the need cannot be met in any other way, the social assistance must partly serve to guarantee a family a reasonable financial standard of living, and partly as a preventive and rehabilitating measure. The local authorities usually offer unemployed social assistance recipients measures that prepare

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them for work. Those, who are fit to work, but who do not apply for work or accept work offers or the like, will often lose their entitlement to financial assistance. National standards concerning the usual subsistence expenses, such as food, clothing and consumer goods, have been drawn up. Usual subsistence expenses also include rent and transport. The majority of the social assistance is granted towards payment of such expenses. Social assistance may also be granted for other purposes, such as dental treatment, medical treatment, glasses, equipment in the home and removal expenses. When the amount of the social assistance is being calculated, a recipient's total income is taken into consideration, such as maintenance allowance, child allowance, housing benefit, etc. If, for instance, the housing benefit is increased by SEK 200 per month, the social assistance amount will be reduced accordingly. As in Norway, there is no upper limit and the financial assistance may also be granted provided it will be paid back later, for example to students during the summer period.

Table 9.2 Rules governing award of social assistance, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|------------------|-------------------|-------------------|--------|------------------|
| Social assistance payable as a fixed amount? | Yes | Yes ²⁾ | Yes ³⁾ | No | No ²⁾ |
| Social assistance calculated individually by local authorities? | No | No | No | Yes | Yes |
| Social assistance taxable? | Yes | No | Yes | No | No |
| Social assistance payable as a supplement to other social benefits? | Yes | Yes | Yes | Yes | Yes |
| Social assistance payable as a supplement to income from work? | No ¹⁾ | Yes | Yes | Yes | Yes |

1 Social assistance (cash assistance) will in general not be granted as a supplement to a low income from work. Award of cash assistance is subject to the occurrence of a life event such as for example unemployment or dissolution of marriage or co-habitation.

2 Each year, a "national standard" is calculated, which local authorities apply when calculating the social assistance, cf. the text above. Local authorities may also award a so-called preventive social assistance individually.

3 In 2002, the maximum amount for single people over 18 years was ISK 67 000 and for co-habiting couples ISK 120 000 in the municipality of Reykjavik. Income in the month in which an application is submitted as well as in the month before that will be deducted from the amount - with the exception of child allowance and housing benefit.

Tables 9.3 and 9.4 show the amounts of the social assistance and the compensation levels in typical cases, respectively. The amount, which is available to single people and couples when receiving social assistance, varies somewhat from

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one Nordic country to another, where Iceland and Denmark are the most generous, and Sweden the least so. Measured as compensation in relation to previous work for an APW 100 per cent, the picture is more or less the same.

Table 9.3 Disposable monthly income after tax, payment for day-care institution and rent when receiving social assistance (December) 2002

| | Denmark ¹⁾ | Finland | Iceland ¹⁾ | Norway | Sweden |
|------------------------------|-----------------------|---------|-----------------------|--------|--------|
| <i>National currency</i> | | | | | |
| Single provider with 1 child | 8 302 | 570 | 73 207 | 5 530 | 4 840 |
| Single childless person | 4 365 | 346 | 42 454 | 4 000 | 3 140 |
| Couples with 2 children | 12 310 | 1 042 | 95 586 | 10 210 | 8 820 |
| Childless couple | 8 869 | 599 | 87 926 | 6 660 | 5 280 |
| <i>PPP-Euro</i> | | | | | |
| Single provider with 1 child | 855 | 464 | 651 | 509 | 450 |
| Single childless person | 450 | 282 | 377 | 368 | 292 |
| Couples with 2 children | 1 268 | 849 | 850 | 940 | 821 |
| Childless couple | 913 | 488 | 782 | 613 | 491 |

1 The benefit is the same as for non-insured unemployed, but in this calculation rent has been included as an expense.

Table 9.4 Disposable monthly income (December) when receiving social assistance in per cent of disposable monthly income from work for an APW in per cent 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|-------------------------------------|---------|---------|---------|--------|--------|
| <i>Single provider with 1 child</i> | | | | | |
| APW 50 p.c. | 97 | 70 | 70 | 75 | 80 |
| APW 75 p.c. | 78 | 64 | 56 | 56 | 61 |
| APW 100 p.c. | 64 | 50 | 47 | 42 | 50 |
| APW 125 p.c. | 55 | 41 | 40 | 34 | 39 |
| APW 150 p.c. | 48 | 34 | 35 | 28 | 33 |
| <i>Single childless person</i> | | | | | |
| APW 50 p.c. | 74 | 63 | 52 | 101 | 103 |
| APW 75 p.c. | 49 | 39 | 38 | 50 | 52 |
| APW 100 p.c. | 36 | 29 | 31 | 33 | 35 |
| APW 125 p.c. | 30 | 23 | 25 | 26 | 26 |
| APW 150 p.c. | 26 | 20 | 22 | 22 | 22 |
| <i>Couple with 2 children</i> | | | | | |
| APW 75 p.c.; APW 50 p.c. | 79 | 63 | 51 | 82 | 75 |
| APW 100 p.c.; APW 75 p.c. | 55 | 48 | 42 | 50 | 51 |
| APW 125 p.c.; APW 100 p.c. | 44 | 37 | 34 | 37 | 38 |
| APW 150 p.c.; APW 125 p.c. | 37 | 31 | 29 | 30 | 31 |
| <i>Childless couple</i> | | | | | |
| APW 75 p.c.; APW 50 p.c. | 55 | 35 | 46 | 42 | 42 |
| APW 100 p.c.; APW 75 p.c. | 39 | 26 | 35 | 28 | 28 |
| APW 125 p.c.; APW 100 p.c. | 30 | 20 | 29 | 21 | 21 |
| APW 150 p.c.; APW 125 p.c. | 26 | 17 | 24 | 18 | 18 |

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Table 9.5 Individuals receiving social assistance during the year, in thousands and as percentages of the population 16/18 years or over, 1995-2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| <i>Thousands</i> | | | | | |
| 1995 | 195.1 | 430.3 | 6.9 | 188.0 | 451.7 |
| 2000 | 172.8 | 334.7 | 5.2 | 146.5 | 340.3 |
| 2001 | 165.8 | 323.6 | 5.5 | 146.3 | 306.5 |
| 2002 | 167.1 | 314.1 | 6.9 | 147.5 | 286.2 |
| <i>As percentages of the population 16/18 years or over</i> | | | | | |
| 1995 | 4.7 | 10.9 | 3.5 | 5.6 | 6.6 |
| 2000 | 4.1 | 8.3 | 2.6 | 4.3 | 4.9 |
| 2001 | 4.0 | 8.0 | 2.6 | 4.2 | 4.4 |
| 2002 | 4.0 | 7.7 | 3.3 | 4.2 | 4.1 |

Note: Calculations based on all people of 18 years and over (in Iceland 16 years in 1995) - children not included. Married couples who receive social assistance, and where the assistance is payable to one of the spouses only, count as two individuals. In Sweden, children over 18 years living at home also count as assistance recipients. The figures for Denmark include recipients of cash assistance payable towards maintenance (including refugees), but 19 313 recipients of the introduction benefit to refugees in 2002 have not been included. Activated cash assistance recipients are included under labour-market measures. The Swedish figures include refugees.

Table 9.6 Number of individuals over the age of 18, who receive social assistance, in total and as percentages of the population, per 1 December, 1995-2002

| | Denmark | Finland | Iceland ¹⁾ | Norway | Sweden ²⁾ |
|---|---------|---------|-----------------------|--------|----------------------|
| <i>Total number</i> | | | | | |
| 1995 | 97 399 | 170 058 | .. | 76 054 | .. |
| 2000 | 82 020 | 147 824 | 5 097 | 63 732 | .. |
| 2001 | 81 747 | 151 917 | 5 735 | 62 117 | 147 019 |
| 2002 | 83 257 | 145 728 | 7 263 | 63 827 | 135 384 |
| <i>As percentages of the population</i> | | | | | |
| 1995 | 2.4 | 4.5 | .. | 2.3 | .. |
| 2000 | 2.0 | 3.7 | 2.5 | 1.9 | .. |
| 2001 | 2.0 | 3.7 | 2.8 | 1.8 | 2.1 |
| 2002 | 2.0 | 3.6 | 3.5 | 1.8 | 1.9 |

1 Individuals receiving social assistance during the year.

2 People in socially assisted households, who received assistance in November.

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Table 9.7 Individuals receiving social assistance during the year, by age, in total and as percentages of their age groups, 2002

| | Recipients | | Recipients in per cent according to age | | | |
|-----------------------------|------------|-------------|---|-------------|-------------|-----------|
| | Total | 18-24 years | 25-39 years | 40-54 years | 55-64 years | 65+ years |
| <i>Denmark¹⁾</i> | | | | | | |
| Recipients, total | 164 340 | 8.8 | 6.5 | 3.7 | 1.0 | 0.2 |
| New, total | 58 720 | 4.6 | 2.2 | 1.0 | 0.2 | 0.0 |
| <i>Finland</i> | | | | | | |
| Recipients, total | 314 086 | 16.2 | 10.0 | 8.0 | 4.3 | 2.0 |
| New, total | 102 657 | 7.1 | 3.1 | 2.1 | 1.2 | 0.8 |
| <i>Iceland</i> | | | | | | |
| Recipients, total | 6 615 | 5.9 | 4.2 | 2.7 | 1.6 | 0.7 |
| New, total | 3 418 | 3.3 | 2.0 | 1.3 | 0.8 | 0.4 |
| <i>Norway</i> | | | | | | |
| Recipients, total | 147 888 | 7.5 | 6.3 | 4.2 | 2.1 | 0.9 |
| New, total | 51 006 | 3.3 | 2.1 | 1.3 | 0.7 | 0.3 |
| <i>Sweden²⁾</i> | | | | | | |
| Recipients, total | 286 225 | 9.6 | 5.5 | 4.1 | 2.0 | 1.3 |
| New, total | 81 753 | 3.3 | 1.5 | 1.1 | 0.5 | 0.4 |

1 Exclusive of 2 797 recipients, whose family type is not stated.

2 Includes only people who have a complete personal identification number.

Table 9.8 Families, who received social assistance during the year as percentages of all families, by type of family, 2002

| | Denmark | Finland | Iceland | Norway ¹⁾ | Sweden |
|------------------------------------|---------|---------|---------|----------------------|--------|
| <i>Families by type (per cent)</i> | | | | | |
| Single men | 5.3 | 11.7 | 6.5 | 8.2 | 9.0 |
| - with children | 17.6 | 29.8 | 18.7 | 18.4 | 17.9 |
| - without children | 3.4 | 9.2 | 4.9 | 6.1 | 6.4 |
| Single women | 7.5 | 15.4 | 5.0 | 12.3 | 8.2 |
| - with children | 9.5 | 20.2 | 12.3 | 15.5 | 9.9 |
| - without children | 7.5 | 15.3 | 4.9 | 12.2 | 8.2 |
| Married/cohabiting couples | 5.0 | 4.2 | 1.1 | 2.8 | 3.4 |
| - with children | 8.1 | 6.1 | 1.5 | 2.8 | 3.7 |
| - without children | 2.9 | 3.0 | 0.8 | 2.7 | 3.0 |
| Total | 5.7 | 9.4 | 3.9 | 6.3 | 6.7 |
| - with children | 9.7 | 10.5 | 5.9 | 5.8 | 6.9 |
| - without children | 4.5 | 9.1 | 3.1 | 6.5 | 6.6 |

Note: Cf. Table 9.5. Figures for Denmark exclude 2 797 people whose family type has not been specified. Figures for Sweden, only households where the registered person is between 18 and 64 years. The total number of households is an estimate.

1 2001.

Assistance to Refugees in the Nordic Countries

- Refugees Receive Social Assistance or Similar Benefits

The five Nordic countries have all acceded to the Geneva Convention on the Right to Political Asylum/Refugee Status for people who, due to race, nationality, political views or special social affiliation, are persecuted in their home countries. Apart from the above, refugees may be granted residence permits in the Nordic countries on humanitarian grounds. People who are granted asylum may, in all the countries, be granted residence permits to their close relatives, the so-called reunification of families.

A common feature of the Nordic countries is that a social safety net has been established and that a number of measures for the integration of refugees received into the country have been implemented. The rules do, however, vary considerably from one country to another.

At present, most of the asylum seekers or refugees that are received into the Nordic countries are people who have arrived at the borders applying for asylum. The statistics include both people who have arrived at the border of the country concerned and applied for asylum without being rejected and convention refugees. Reunifications of families are, however, not included in the statistics. The large number of residence permits granted to refugees in Denmark in 1995 can be attributed to refugees from Ex-Yugoslavia, who had been granted a temporary residence permit, applying for and being granted residence permits as refugees.

In Denmark, asylum seekers get board and lodging plus pocket money during their stay at an asylum centre. In 1999, a new act on integration of foreigners was introduced. The act implies that the integration activities in respect of newly arrived refugees and other foreigners have been transferred to the local authorities. All newly arrived foreigners are offered a 3-year introduction programme that comprises courses in social knowledge, the Danish language and activation. Foreigners, who came to Denmark before 1 July 2002, are awarded an introduction benefit that corresponds to the cash benefits. Foreigners, who came to Denmark after 1 July 2002, and who do not comply with the requirement of having stayed in Denmark for at least seven out of the past eight years, are awarded a lower introduction benefit, which equals the so-called start assistance. Central Government reimburses 75 per cent of the local authorities' expenditure on introduction

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benefits during the 3-year introduction programme and furthermore grants a number of supplements towards payment of the local authorities' expenditure.

In Finland, Central Government covers local authorities' expenditure on refugees for the first three years of the refugees' stay.

In Iceland, refugees are granted social assistance from the moment they are received into the country. Central Government pays the first 12 months of assistance.

In Norway, people who have been received in a government refugee centre are granted a maintenance allowance according to special rules that apply to people staying at such centres. Central Government covers the local authorities' average expenditure on refugees and people, who are staying in the country on humanitarian grounds, during the first five years of their stay. Social assistance to refugees is awarded according to the Act on Social Services and Benefits in the same way as to all other recipients of social assistance.

In Sweden, refugees receive a benefit from Central Government during their stay in the reception centres for refugees while they await a reply to their applications. From the moment they are received into the country and the initiated introduction, refugees are entitled to a special benefit by way of social assistance or an introduction benefit to refugees. Central Government reimburses the local authorities' expenditure on this benefit for the first four years.

Table 9.9 Number of refugees received, exclusive of reunification of families, who have been granted residence permits in the Nordic countries, 1995-2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|------|---------|---------|---------|--------|--------|
| 1995 | 20 347 | 1 129 | 5 | 4 602 | 5 642 |
| 2000 | 5 156 | 1 028 | 31 | 4 434 | 10 546 |
| 2001 | 6 264 | 1 537 | 7 | 5 597 | 5 546 |
| 2002 | 4 069 | 1 131 | 5 | 4 645 | 5 060 |

Table 9.10 Number of asylum seekers, 1995-2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|------|---------|---------|---------|--------|--------|
| 1995 | 5 104 | 854 | 4 | 1 460 | 9 047 |
| 2000 | 10 347 | 3 170 | 25 | 10 842 | 16 303 |
| 2001 | 8 385 | 1 651 | 53 | 14 782 | 23 515 |
| 2002 | 6 660 | 3 443 | 117 | 17 480 | 33 016 |

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Services

This section deals only with services that are not aimed at any particular sector, such as services offered to substance abusers. These offers are provided both by the health-care services and by the social-assistance system.

In all the Nordic countries, there are also a number of services that are not specifically aimed at any of the previously mentioned target groups. These may include unspecified services provided by the social authorities, help in case of crises, family counselling, centres for battered women, re-establishment centres, homes for the homeless and others with special social problems, who may be in need of temporary accommodation.

Treatment of Alcohol and Drug Abuse

- Several Kinds of Treatment Available

Special institutions for abusers administer treatment of substance abusers. There are both institutions for alcohol abusers and institutions for drug addicts. Some of these are privately owned institutions that have agreements with the public authorities concerning cover of their running costs. In all the countries, part of the treatment is provided by the psychiatric treatment system.

In all five countries, outpatient treatment is provided, and in some of the countries efforts are made to include families and social networks in the treatment.

Both in Denmark, Finland and Sweden, compulsory treatment may be initiated if an abuser is deemed to be a danger to him/herself or to people in his or her environment. In Norway, people may be compulsorily admitted to an institution for up to three months for examination and planning of treatment. Also pregnant abusers may be compulsorily admitted to an institution and kept there during the entire pregnancy, if the abuse is of such a nature that it is likely to harm the child, and that other measures may not be sufficient.

It is difficult to assess the number of abusers and the treatment of them, as treatment of abusers cannot be statistically separated from other somatic and psychiatric treatment.

Expenditure on and Financing of Other Social Benefits

Differences and Similarities in the Expenditure on Other Social Benefits

Expenditure on other social benefits is highest in Denmark, followed by Norway and Sweden, and lowest in Finland and Iceland, measured in PPP per capita.

The relatively high expenditure in Denmark is a result of non-insured people, who do not qualify for unemployment benefit, receiving cash benefits. In Finland and Sweden, such people are granted a cash labour-market benefit that may be supplemented by social assistance, if need be. A large part of the expenditure on social assistance in Finland and Sweden is supplementing benefits to the unemployed. Besides, the number of refugees and asylum seekers that is received into the country also plays a part, as they in all the countries receive social assistance or some other income-substituting benefit. There are also certain differences amongst the countries as to whether abusers are treated in special institutions or in the general somatic and psychiatric treatment system.

Changes in the Expenditure on Other Social Benefits from 2001 to 2002

In Denmark, there has been a limited increase in the expenditure on other social benefits from 2001 to 2002. There was for example a slight increase in the expenditure on introduction benefits, etc., to refugees in accordance with the Act on Integration, while the expenditure on asylum seekers was declining. Besides, there was an increase in payments from the Employees' Guarantee Fund.

In Finland, the expenditure on other social benefits increased by 7 per cent in 2002 at constant prices. The number of recipients of social assistance decreased by 13 350 persons, whereas the expenditure increased by 2 per cent. The expenditure on treatment of misusers and other services increased.

In Iceland, the expenditure on other social benefits increased by 26.7 per cent in terms of 2002 prices, where services increased by 15.1 per cent and cash benefits by 42.5 per cent. The increase in the expenditure on cash be-

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nefits was a result of an increase in the cash assistance and more than a doubling of the payments to wage guarantees in connection with insolvency. The increase in the expenditure on services was due to an increase in social counselling and other unspecified municipal services.

In Norway, the expenditure on other cash benefits cannot be compared with the figures from 2001, i.a. due to changes in the municipal chart of accounts. The data problem is mainly due to the special current expenditure on receipt of asylum seekers having been changed to administration costs as from 2002.

In Sweden, the expenditure on cash assistance increased by 2.7 per cent at constant prices.

Table 9.11 Expenditure on and financing of other social benefits, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| <i>Cash benefits, millions</i> | | | | | |
| A. Income-substituting/ supplementing benefits | 8 602 | 480 | 1 494 | 4 840 | 8 528 |
| a. Of which social assistance | - | 446 | 1 453 | 4 840 | 8 528 |
| B. Other benefits | 3 121 | - | 733 | 467 | 917 |
| Cash benefits, total | 11 723 | 480 | 2 226 | 5 307 | 9 445 |
| <i>Services, millions</i> | | | | | |
| A. Institutions, etc. | 803 | 69 | - | 380 | 62 |
| B. Rehabilitation and treatment of abusers | 798 | 110 | 830 | 1 456 | 3 882 |
| C. Other | 1 064 | 126 | 1 298 | 2 314 | 2 563 |
| Services, total | 2 665 | 305 | 2 128 | 4 150 | 6 507 |
| Total expenditure, millions | 14 388 | 785 | 4 355 | 9 457 | 15 952 |
| Expenditure as percentage of the GDP | 1.1 | 0.6 | 0.6 | 0.6 | 0.7 |
| <i>Financed by (per cent)</i> | | | | | |
| - Public authorities | 99.2 | 97.2 | 94.4 | 100.0 | 100.0 |
| - Employers | 0.8 | 2.8 | 4.7 | 0.0 | 0.0 |
| - The insured (contribu- tions and special taxes) | 0.0 | 0.0 | 0.9 | 0.0 | 0.0 |
| <i>Changes 2001-2002 in terms of 2002 prices</i> | | | | | |
| - Million | 127 | 50 | 943 | -197 | 425 |
| - Per cent | 0.9 | 6.8 | 27.6 | -2.0 | 2.7 |

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Table 9.12 Expenditure on other social benefits and services in PPP/capita, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|------------------------------|---------|---------|---------|--------|--------|
| Cash benefits, total | 225 | 75 | 69 | 108 | 98 |
| Services, total | 51 | 48 | 66 | 84 | 68 |
| Other social benefits, total | 276 | 123 | 135 | 192 | 166 |

*Chapter 10***Social Expenditure**

Following a description in the previous chapters of the social protection systems, an overall description of the social expenditure is presented in this chapter. As mentioned in Chapter 2, the Nordic social expenditure statistics follow the calculation method used by EUROSTAT.

The Nordic countries' and the EU's expenditure on social affairs measured in relation to the Gross Domestic Product (GDP) and per capita in PPP-Euro, broken down by functions, is shown in the two following tables.

Table 10.1 Social expenditure as percentages of the GDP in the EU, Iceland and Norway, 2001

| | | | | | |
|---------|------|---------|------|-----------------|------|
| Denmark | 29.5 | Austria | 28.4 | Italy | 25.6 |
| Finland | 25.8 | Belgium | 27.5 | Luxembourg | 21.2 |
| Iceland | 20.1 | France | 30.0 | The Netherlands | 27.6 |
| Norway | 25.6 | Germany | 29.8 | Portugal | 23.9 |
| Sweden | 31.3 | Greece | 27.2 | Spain | 20.0 |
| | | Ireland | 14.6 | United Kingdom | 27.2 |

Note: See Table 4.1.

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Table 10.2 Social expenditure per capita in the EU, Iceland and Norway, 2001. PPP/Euro

| | Families and children | Unemployment | Illness | Old age, disability and survivors | Housing benefits | Other social benefits | Total |
|-----------------|-----------------------|--------------|---------|-----------------------------------|------------------|-----------------------|--------|
| Denmark | 1 005 | 759 | 1 537 | 3 827 | 176 | 279 | 7 581 |
| Finland | 662 | 535 | 1 334 | 2 742 | 65 | 114 | 5 451 |
| Iceland | 636 | 73 | 1 885 | 2 163 | 34 | 108 | 4 899 |
| Norway | 1 028 | 207 | 2 777 | 3 785 | 53 | 200 | 8 050 |
| Sweden | 662 | 387 | 2 019 | 3 562 | 144 | 152 | 6 925 |
| Austria | 768 | 362 | 1 790 | 4 177 | 26 | 127 | 7 250 |
| Belgium | 579 | 757 | 1 622 | 3 421 | 0 | 103 | 6 482 |
| France | 658 | 491 | 2 016 | 3 429 | 211 | 96 | 6 900 |
| Germany | 730 | 578 | 2 030 | 3 541 | 48 | 128 | 7 054 |
| Greece | 267 | 230 | 994 | 2 169 | 108 | 90 | 3 858 |
| Ireland | 461 | 308 | 1 610 | 1 113 | 127 | 86 | 3 705 |
| Italy | 238 | 95 | 1 552 | 4 040 | 4 | 12 | 5 941 |
| Luxembourg | 1 715 | 261 | 2 596 | 5 482 | 59 | 109 | 10 222 |
| The Netherlands | 304 | 345 | 2 098 | 3 681 | 98 | 368 | 6 893 |
| Portugal | 181 | 116 | 1 002 | 1 860 | 1 | 41 | 3 201 |
| Spain | 97 | 488 | 1 131 | 1 996 | 34 | 29 | 3 775 |
| United Kingdom | 404 | 172 | 1 674 | 3 334 | 334 | 43 | 5 961 |

The account of the social expenditure has been divided into four sections. First, an account is given of the social expenditure trends from 1995 to 2002; then the purposes of the social expenditure are described, followed by the financing of the total social expenditure and finally, the significance of taxation in relation to the total social expenditure is shown.

Changes in the Social Expenditure, 1995-2002

The development in the social expenditure, in total and per capita, at current and at constant prices and in relation to the gross domestic product (GDP) and in purchasing power parities (PPP-Euro) since 1995, appears from the tables below. It should be noted that all the countries now use the ESA95/SNA-93 classification when calculating the GDP, which has resulted in corrections of the gross domestic products.

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Table 10.3 Social expenditure, in total and per capita, 1995-2002

| | Social expenditure | | Social expenditure per capita | | Social expenditure per capita aged 15-64 years | |
|----------------|-----------------------------------|--------------------------------|-------------------------------|-----------------------|--|-----------------------|
| | At current prices, million KR/EUR | At 2002 prices, million KR/EUR | At current prices KR/EUR | At 2002 prices KR/EUR | At current prices KR/EUR | At 2002 prices KR/EUR |
| <i>Denmark</i> | | | | | | |
| 1995 | 325 634 | 382 620 | 62 223 | 73 112 | 92 352 | 108 514 |
| 2000 | 373 495 | 391 486 | 69 948 | 73 317 | 104 894 | 109 947 |
| 2001 | 390 295 | 399 474 | 72 883 | 74 597 | 109 566 | 112 143 |
| 2002 | 407 547 | 407 547 | 75 833 | 75 833 | 114 204 | 114 204 |
| <i>Finland</i> | | | | | | |
| 1995 | 30 200 | 33 975 | 5 913 | 6 652 | 8 857 | 9 964 |
| 2000 | 33 142 | 34 523 | 6 403 | 6 670 | 9 567 | 9 965 |
| 2001 | 34 831 | 35 365 | 6 714 | 6 817 | 10 033 | 10 187 |
| 2002 | 36 908 | 36 908 | 7 097 | 7 097 | 10 611 | 10 611 |
| <i>Iceland</i> | | | | | | |
| 1995 | 85 984 | 110 489 | 321 580 | 413 230 | 499 834 | 642 287 |
| 2000 | 131 390 | 146 942 | 467 324 | 522 638 | 717 535 | 802 465 |
| 2001 | 149 892 | 157 106 | 525 838 | 551 143 | 805 772 | 844 549 |
| 2002 | 173 418 | 173 418 | 603 070 | 603 070 | 923 178 | 923 178 |
| <i>Norway</i> | | | | | | |
| 1995 | 253 620 | 296 482 | 58 181 | 68 013 | 90 091 | 105 316 |
| 2000 | 360 341 | 376 106 | 80 237 | 83 747 | 123 766 | 129 181 |
| 2001 | 389 918 | 394 987 | 86 385 | 87 507 | 132 984 | 134 712 |
| 2002 | 400 595 | 400 595 | 88 273 | 88 273 | 135 558 | 135 558 |
| <i>Sweden</i> | | | | | | |
| 1995 | 612 633 | 656 130 | 69 405 | 74 333 | 108 988 | 116 726 |
| 2000 | 674 658 | 706 314 | 76 041 | 79 609 | 118 252 | 123 801 |
| 2001 | 707 785 | 723 318 | 79 563 | 81 309 | 123 330 | 126 036 |
| 2002 | 762 646 | 762 646 | 85 451 | 85 451 | 132 039 | 132 039 |

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Table 10.4 Social expenditure in relation to the GDP, 1995-2002¹⁾

| | GDP, million KR/EUR | Social expenditure as percentage of the GDP | Index for social expenditure in relation to the GDP (1995=100) |
|----------------|---------------------|---|--|
| <i>Denmark</i> | | | |
| 1995 | 1 009 756 | 32.2 | 100 |
| 2000 | 1 278 956 | 29.2 | 91 |
| 2001 | 1 325 512 | 29.4 | 91 |
| 2002 | 1 360 709 | 30.0 | 93 |
| <i>Finland</i> | | | |
| 1995 | 95 251 | 31.7 | 100 |
| 2000 | 130 145 | 25.4 | 80 |
| 2001 | 135 468 | 25.7 | 81 |
| 2002 | 139 803 | 26.4 | 83 |
| <i>Iceland</i> | | | |
| 1995 | 452 139 | 19.0 | 100 |
| 2000 | 667 515 | 19.7 | 104 |
| 2001 | 740 747 | 20.2 | 106 |
| 2002 | 778 466 | 22.3 | 117 |
| <i>Norway</i> | | | |
| 1995 | 928 745 | 27.3 | 100 |
| 2000 | 1 423 864 | 25.3 | 93 |
| 2001 | 1 510 866 | 25.8 | 95 |
| 2002 | 1 522 176 | 26.3 | 96 |
| <i>Sweden</i> | | | |
| 1995 | 1 772 021 | 34.6 | 100 |
| 2000 | 2 196 764 | 30.7 | 89 |
| 2001 | 2 260 419 | 31.3 | 91 |
| 2002 | 2 347 400 | 32.5 | 94 |

1 The GDP has been revised in relation to the previous report.

Table 10.5 Social expenditure per capita, 1995-2002 (PPP-Euro in terms of 2002 prices)

| | Denmark | Finland | Iceland | Norway | Sweden |
|------|---------|---------|---------|--------|--------|
| 1995 | 7 529 | 5 422 | 3 674 | 6 259 | 6 916 |
| 2000 | 7 550 | 5 437 | 4 647 | 7 707 | 7 407 |
| 2001 | 7 682 | 5 557 | 4 900 | 8 053 | 7 565 |
| 2002 | 7 809 | 5 785 | 5 362 | 8 123 | 7 951 |

Social Expenditure by Type and Purpose

The social expenditure is broken down by type into cash benefits and services. By distributing the benefits according to purpose, a division is made according to the social needs or risks that the benefit is primarily aimed at relieving. The distribution of the social expenditure according to the purpose of the benefit is rather stable in each country. New legislation and changes in the social patterns have, however, given rise to shifts in the distribution. The comparison of the countries shows some differences in the distribution of the social expenditure according to purpose. The main reason for this may to some extent be attributed to differences in the individual countries' assessment of the importance of benefits for various purposes.

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Table 10.6 The social expenditure in per cent, broken down by main groups, 1995-2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|--------------------------|---------|---------|---------|--------|--------|
| <i>1995¹⁾</i> | | | | | |
| Families and children | 12.4 | 13.4 | 12.9 | 14.1 | 11.4 |
| Unemployment | 14.7 | 14.4 | 4.4 | 6.7 | 11.1 |
| Illness | 17.8 | 20.9 | 37.9 | 26.3 | 21.7 |
| Old age | 37.6 | 28.9 | 27.2 | 31.2 | 34.3 |
| Disability | 10.6 | 15.0 | 11.6 | 14.7 | 12.1 |
| Survivors | 0.1 | 3.8 | 2.8 | 1.5 | 2.4 |
| Housing | 2.4 | 1.5 | 0.4 | 0.7 | 3.4 |
| Other social benefits | 4.4 | 2.1 | 2.8 | 3.8 | 2.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>2000</i> | | | | | |
| Families and children | 13.1 | 12.5 | 11.7 | 12.8 | 9.8 |
| Unemployment | 10.5 | 10.4 | 1.3 | 2.7 | 6.5 |
| Illness | 20.2 | 23.8 | 39.2 | 34.3 | 27.4 |
| Old age | 38.0 | 31.8 | 28.5 | 29.6 | 37.3 |
| Disability | 12.0 | 13.9 | 13.9 | 16.4 | 12.2 |
| Survivors | 0.0 | 4.0 | 2.6 | 1.2 | 2.2 |
| Housing | 2.4 | 1.5 | 0.7 | 0.5 | 2.1 |
| Other social benefits | 3.7 | 2.1 | 2.1 | 2.6 | 2.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>2001</i> | | | | | |
| Families and children | 13.3 | 12.1 | 13.0 | 12.8 | 10.1 |
| Unemployment | 10.0 | 9.8 | 1.5 | 2.6 | 5.6 |
| Illness | 20.3 | 24.5 | 38.5 | 34.6 | 28.7 |
| Old age | 37.9 | 32.6 | 27.7 | 29.4 | 36.8 |
| Disability | 12.5 | 13.7 | 13.6 | 16.5 | 12.4 |
| Survivors | 0.0 | 4.0 | 2.9 | 1.2 | 2.1 |
| Housing | 2.3 | 1.2 | 0.7 | 0.5 | 2.1 |
| Other social benefits | 3.7 | 2.1 | 2.2 | 2.5 | 2.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| <i>2002</i> | | | | | |
| Families and children | 13.4 | 11.7 | 12.9 | 12.2 | 10.2 |
| Unemployment | 9.2 | 9.8 | 2.0 | 2.6 | 5.5 |
| Illness | 20.9 | 24.8 | 37.2 | 34.1 | 26.9 |
| Old age | 37.6 | 33.0 | 28.1 | 28.9 | 37.4 |
| Disability | 12.9 | 13.4 | 13.6 | 17.7 | 13.9 |
| Survivors | 0.0 | 3.9 | 2.8 | 1.4 | 2.1 |
| Housing | 2.3 | 1.2 | 0.8 | 0.7 | 1.9 |
| Other social benefits | 3.6 | 2.2 | 2.5 | 2.4 | 2.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1 Services in connection with illness, the elderly and the disabled have been calculated according to a different method in Denmark and Norway.

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Table 10.7 Social expenditure, in per cent, broken down by type and purpose, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|----------------------------------|---------|---------|---------|--------|--------|
| <i>Families and children</i> | | | | | |
| Cash benefits | 40 | 56 | 47 | 62 | 56 |
| Services | 60 | 44 | 53 | 38 | 44 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Unemployment</i> | | | | | |
| Cash benefits | 97 | 91 | 83 | 86 | 84 |
| Services | 3 | 9 | 17 | 14 | 16 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Illness</i> | | | | | |
| Cash benefits | 16 | 20 | 20 | 37 | 28 |
| Services | 84 | 80 | 80 | 63 | 72 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Old age</i> | | | | | |
| Cash benefits | 83 | 90 | 72 | 73 | 76 |
| Services | 17 | 10 | 28 | 27 | 24 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Disability</i> | | | | | |
| Cash benefits | 67 | 75 | 64 | 80 | 60 |
| Services | 33 | 25 | 36 | 20 | 40 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Survivors</i> | | | | | |
| Cash benefits | 1 | 100 | 100 | 96 | 100 |
| Services | 99 | 0 | 0 | 4 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Housing</i> | | | | | |
| Services | 100 | 100 | 100 | 100 | 100 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Other social benefits</i> | | | | | |
| Cash benefits | 81 | 61 | 51 | 56 | 59 |
| Services | 19 | 39 | 49 | 44 | 41 |
| Total | 100 | 100 | 100 | 100 | 100 |
| <i>Cash benefits, total</i> | 61 | 65 | 49 | 60 | 58 |
| <i>Services, total</i> | 39 | 35 | 51 | 40 | 42 |
| <i>Social expenditure, total</i> | 100 | 100 | 100 | 100 | 100 |

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Table 10.8 Social expenditure broken down by type and purpose as percentages of the GDP 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| <i>Families and children</i> | | | | | |
| Cash benefits | 1.5 | 1.7 | 1.3 | 2.0 | 1.8 |
| Services | 2.3 | 1.3 | 1.5 | 1.2 | 1.4 |
| Total | 3.9 | 3.0 | 2.8 | 3.1 | 3.2 |
| <i>Unemployment</i> | | | | | |
| Cash benefits | 2.6 | 2.3 | 0.4 | 0.6 | 1.4 |
| Services | 0.1 | 0.2 | 0.1 | 0.1 | 0.3 |
| Total | 2.7 | 2.5 | 0.4 | 0.7 | 1.7 |
| <i>Illness</i> | | | | | |
| Cash benefits | 1.0 | 1.2 | 1.6 | 3.2 | 2.4 |
| Services | 5.1 | 5.1 | 6.5 | 5.5 | 6.0 |
| Total | 6.1 | 6.4 | 8.2 | 8.8 | 8.4 |
| <i>Old age</i> | | | | | |
| Cash benefits | 9.1 | 7.6 | 4.4 | 5.4 | 8.9 |
| Services | 1.8 | 0.9 | 1.7 | 2.0 | 2.8 |
| Total | 11.0 | 8.4 | 6.2 | 7.4 | 11.7 |
| <i>Disability</i> | | | | | |
| Cash benefits | 2.5 | 2.6 | 1.9 | 3.7 | 2.6 |
| Services | 1.2 | 0.8 | 1.1 | 0.9 | 1.7 |
| Total | 3.7 | 3.4 | 3.0 | 4.6 | 4.3 |
| <i>Survivors</i> | | | | | |
| Cash benefits | 0.0 | 1.0 | 0.6 | 0.4 | 0.7 |
| Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | 1.0 | 0.6 | 0.4 | 0.7 |
| <i>Housing</i> | | | | | |
| Services | 0.7 | 0.3 | 0.2 | 0.2 | 0.6 |
| Total | 0.7 | 0.3 | 0.2 | 0.2 | 0.6 |
| <i>Other social benefits</i> | | | | | |
| Cash benefits | 0.9 | 0.3 | 0.3 | 0.3 | 0.4 |
| Services | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| Total | 1.1 | 0.6 | 0.6 | 0.6 | 0.7 |
| <i>Cash benefits, total</i> | 17.6 | 16.7 | 10.6 | 15.6 | 18.2 |
| <i>Services, total</i> | 11.5 | 8.9 | 11.4 | 10.2 | 13.1 |
| <i>Social expenditure, total¹⁾</i> | 29.1 | 25.6 | 21.9 | 25.8 | 31.3 |

1 The total social expenditure is in this table without administration costs.

Financing of the Social Expenditure

In order to illustrate the financing of the social expenditure in the Nordic statistics, the direct financing of services and benefits and the current contributions paid into social funds are included. Contrary to previous editions, interest and other capital gains are now included in the social expenditure statistics. Interest and capital gains are mainly found in the funds established to guarantee pension payments, but also in other social insurance schemes. This will be further dealt with in the following section.

Distribution of Current Contributions by Sources of Financing

Current contributions to the financing of the social expenditure are, in the Nordic statistics, broken down by the sources contributing to the individual benefits, i.e. public authorities and employers, the contributions and special taxes payable by the insured as well as interest and capital gains (other financing). As mentioned in Chapter 2, social costs are listed as net amounts, which means that investments, etc., and user charges payable by the citizens for social services have not been included.

There are many similarities in the financing of the social security systems in the Nordic countries but also major differences.

One of the similarities is that Central Government, directly or indirectly, through compulsory employer duties or duties payable by the employees, plays a significant part when it comes to the financing of social cash benefits, whereas the local authorities play the most important part in the financing of the social services.

Even in the latter case, Central Government plays a significant part by way of the general government grants that are not earmarked.

In all the Nordic countries, it is also the local authorities that are responsible for the day-to-day running of services such as child-minding, child and youth welfare, the health sector and care and nursing provided to the elderly and the disabled.

In Denmark, local authorities are responsible for the administration of the cash benefits, while the responsibility in the other countries rests with Central Government.

All the Nordic countries have high ambitions as regards the social sector, which entails that the financing comprises very large amounts with both large macro-economic and budgetary significance.

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The fiscal quotas, i.e. the sum of the direct and the indirect taxes as a proportion of the GDP, are generally high and among the highest in the world.

In spite of the many common traits, there are, however, considerable differences.

It should be mentioned that Finland and Sweden to a higher degree than the other countries, rely on employer and employee duties in the financing of the social cash benefits. About half of the cash benefits are in those two countries financed by means of duties payable by employers. The share payable by the employees is highest in Denmark and Sweden, where about one fourth of the cash benefits are financed by various forms of employee duties. In Norway, the employees' share of the financing is relatively small, while it is somewhat higher in Finland. The local authority financing of the cash benefits is in general limited. It is highest in Denmark, where Central Government does not fully reimburse the local authorities their expenditure on cash benefits.

In respect of the financing of the social services, the most significant difference is the distribution of the burden between Central Government and the local authorities. This reflects the government grants' importance to the financing, and to which extent the grants are general or earmarked. In Denmark and Sweden, where the grants are mainly general, the local authorities finance the majority of the expenditure on services. In Finland, which has a high proportion of grants distributed on sectors, Central Government's proportion of the financing is considerably higher.

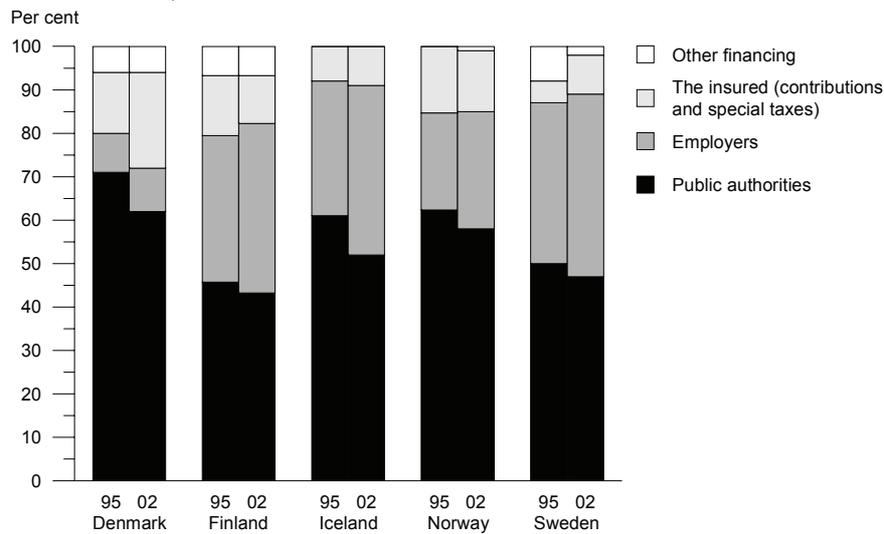
The distribution of current contributions to the financing of the social expenditure during the years 1995-2002 is shown in Table 10.9.

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Table 10.9 Current contributions to the financing of the social expenditure in per cent, broken down by contributions made by public authorities, employers, the insured and other financing, 1995-2002

| | Public authorities, total | Employers | The insured (contributions and special taxes) | Other financing | Total |
|----------------|---------------------------|-----------|---|-----------------|-------|
| <i>Denmark</i> | | | | | |
| 1995 | 71 | 9 | 14 | 6 | 100 |
| 2000 | 64 | 9 | 20 | 7 | 100 |
| 2001 | 63 | 9 | 21 | 7 | 100 |
| 2002 | 62 | 10 | 22 | 6 | 100 |
| <i>Finland</i> | | | | | |
| 1995 | 46 | 34 | 14 | 7 | 100 |
| 2000 | 43 | 38 | 12 | 7 | 100 |
| 2001 | 43 | 39 | 12 | 7 | 100 |
| 2002 | 43 | 39 | 11 | 7 | 100 |
| <i>Iceland</i> | | | | | |
| 1995 | 61 | 31 | 8 | - | 100 |
| 2000 | 51 | 39 | 9 | - | 100 |
| 2001 | 46 | 38 | 8 | 8 | 100 |
| 2002 | 52 | 39 | 9 | 0 | 100 |
| <i>Norway</i> | | | | | |
| 1995 | 62 | 22 | 15 | - | 100 |
| 2000 | 60 | 24 | 14 | 1 | 100 |
| 2001 | 61 | 24 | 13 | 1 | 100 |
| 2002 | 58 | 27 | 14 | 1 | 100 |
| <i>Sweden</i> | | | | | |
| 1995 | 50 | 37 | 5 | 8 | 100 |
| 2000 | 47 | 40 | 9 | 4 | 100 |
| 2001 | 45 | 43 | 9 | 2 | 100 |
| 2002 | 47 | 42 | 9 | 2 | 100 |

Figure 10.1 Current contributions to the financing of the social expenditure, 1995 and 2002



Block Grants and Government Reimbursement to Local and County Authorities

In the Nordic countries, the local authorities are responsible for the administration of part of the social services and benefits. The local authorities are in direct contact with the citizens and recipients of social benefits, and in the first instance they also meet the costs of services and benefits.

Local and county authorities receive block grants and/or reimbursements from Central Government. A block grant may be given as a general contribution or may be earmarked for specific purposes and may, for instance, be calculated on the basis of the number of inhabitants and their age distribution, or according to the tax base in the individual municipalities.

Government reimbursement may be fixed by law as percentages of the municipal expenditure or as fixed amounts. Government reimbursement may also be calculated as the difference between expenditure and contributions from other sources, including municipal contributions.

In Denmark, local authorities administer the main part of the social cash benefits and meet the costs of those benefits in the first instance. The costs

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are subsequently reimbursed, fully or partly, by Central Government. In the other Nordic countries, social benefits are mainly administered by government or other central bodies.

The local or county authorities that meet the costs in the first instance and subsequently receive block grants from Central Government in all Nordic countries, administer the majority of the social services.

Funds for Pension Purposes

The contributions financing the social expenditure are normally spent on current payments in the course of the year, but are, especially in relation to pensions, also used for the establishment of funds.

The purpose of the funds may be to guarantee that means are available for future payments (premium reserve systems). The establishment of funds may also occur in distribution systems (where the costs should, in principle, be covered by the contributions of the current year) so as to create a buffer to reduce variations in incoming and outgoing payments over time.

In Norway, social expenditure, including expenditure on supplementary pensions, is currently financed via the public budget, and the expenditure is consequently excluded from Table 10.10. The Social Security Fund is an independent, public fund and does not contribute directly to the financing of the running costs of the social security service.

Table 10.10 Size of funds for pension purposes, December 2002. Billion KR/EUR

| | Basic pension | Supplementary pension | Additional pension |
|------------------------------|---------------|-----------------------|--------------------|
| <i>Denmark</i> ¹⁾ | - | 281.3 | 312.5 |
| <i>Finland</i> ²⁾ | 0.2 | 68.0 | 9.4 |
| <i>Iceland</i> | - | 678.9 | . |
| <i>Sweden</i> ³⁾ | .. | 488.0 | .. |

1 The supplementary pension includes ATP, the temporary pension-saving scheme and the special pension-saving scheme, but not the Employees' Capital Pension Fund.

2 The additional pensions are exclusive of the pension funds and societies that are managed by the life insurance schemes.

3 Comprises only the AP funds.

Taxation Rules and the Impact of Taxation on the Social Expenditure

Social cash benefits may be either exempt from tax or subject to tax. In all the countries, it is of great importance whether a benefit is tax-free or taxable, as the level of taxation is relatively high. The proportion of the taxable cash benefits of the total cash benefit amount has increased in recent years in all five countries. There are, however, considerable differences from one country to another. The largest tax-free cash benefits are granted to families and children. Other social benefits (social assistance) are subject to tax in Denmark and Iceland, but not in the other Nordic countries. According to the ESSPROS specification, housing benefits count as services.

In Table 10.11, wages/salaries and a number of social benefits, gross and net per month, have been included as well as the tax percentages, including the social expenditure for a single childless person with an average production worker's pay (APW100). The data have been taken from typical cases 0 and 0.1-0.6 (cf. the NOSOSCO homepage: www.nom-nos.dk).

As to maternity benefits, the data apply to a single parent with no other children than the newborn.

The table illustrates the taxation differences amongst the various countries, both as to wages/salaries and to social benefits. Iceland, being the country with the lowest taxation on earned income, imposes practically no tax on social services. Also in the other countries, the taxation on several of the benefits is considerably lower and especially so on pensions. The table does not provide an in-depth explanation of the significance of taxation to the social benefits, but contributes to illustrating the impact thereof.

The majority of the social cash benefits are taxable in the Nordic countries.

In several other OECD countries, a large part of the cash benefits is not subject to tax, or there are favourable tax rules concerning this type of income. Consequently, the tax system compensates in this way for low social cash benefits.

In several countries, tax relief instead of direct cash benefits is granted on social grounds. Tax relief for children will for example be equivalent to child supplements.

In the Nordic countries, very little tax relief is granted on social grounds.

In addition to the direct taxation, recipients of social cash benefits also pay indirect tax on their consumption, and there are considerable differences from one country to another. The traditional way of illustrating the social expenditure does not allow for these differences of taxation.

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In order to evaluate the significance of these differences, both the OECD and EUROSTAT have developed different methods for calculation of the net social expenditure.

The OECD has already published estimates concerning several OECD countries (2001).

In the OECD calculations of the net social expenditure, both the direct and indirect taxes have been deducted from the social expenditure. Similarly, the calculated values of the tax relief granted on social grounds have been added. In order to avoid double taxation, tax relief that is granted in connection with lower taxation, and consequently has already been included, has not been included.

The calculation was made in the following way:

- Social expenditure
- Less direct tax and social contributions paid on social cash benefits
- Less indirect tax on recipients' consumption of social cash benefits
- Plus value of tax relief granted on social grounds
- = Net social expenditure.

Source: The OECD (Adema 2001).

Several methodological and practical questions still remain in connection with the net social expenditure calculation.

The calculation of the indirect taxation of the consumption of the social cash benefits is, for example, only approximate.

The result of the calculations shows, however, that there are considerable limitations in the traditional calculation of the social expenditure.

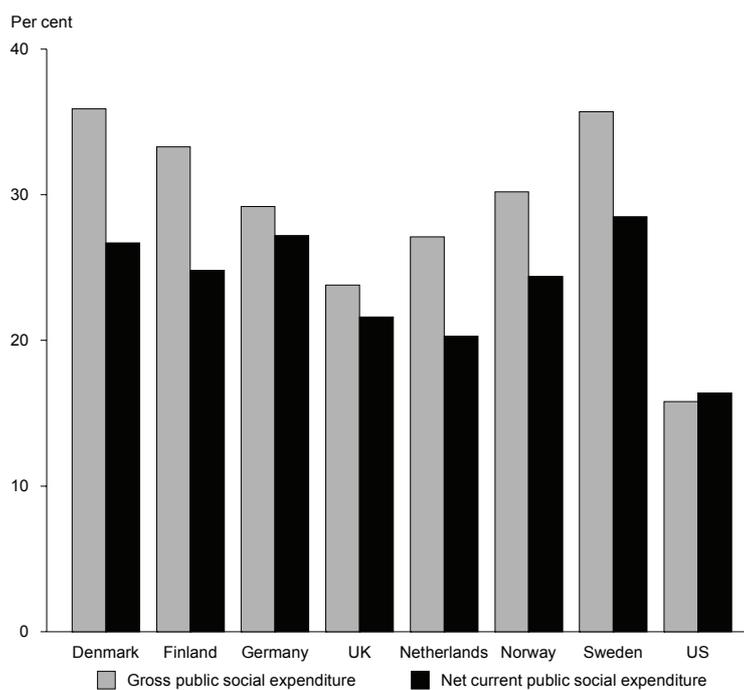
The result of the calculations of selected OECD countries can be seen in Fig. 10.2.

As the direct tax was included in the calculation of the net social expenditure, the data on the GDP was calculated at factor prices. The usual way of calculating the GDP is at market prices (cf. Table 10.1 and the like).

In all the European countries, the net social expenditure is smaller than the traditional social expenditure. There are, however, considerable differences from one European country to another.

In Denmark, Finland and the Netherlands, the net social expenditure is about 25 per cent smaller than the social expenditure. In Norway and Sweden, the difference is about 17 and 24 per cent, respectively, while the net social expenditure is only 7-9 per cent smaller than the social expenditure in Germany and England.

Figure 10.2 Gross and net social expenditure, 1997/1999, as percentages of the GDP at factor costs¹⁾



1 Figures for Denmark, Finland, Norway and Sweden are for 1999, other countries 1997.

Source: Denmark, Finland, Norway, Sweden: Ilija Batljan: "Sveriges sociala utgifter - ungefär som i övriga Europa". Other countries: OECD (Adema 2001).

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Table 10.11 Tax percentages and social duties on wages/salaries and social benefits, per month, for a single childless APW, 2002

| | Denmark | Finland | Iceland | Norway | Sweden |
|---|---------|---------|---------|--------|--------|
| | DKK | EUR | ISK | NOK | SEK |
| Wages/Salaries, gross | 25 442 | 2 307 | 189 809 | 24 350 | 19 818 |
| Wages/Salaries, net | 14 891 | 1 557 | 139 002 | 17 338 | 12 712 |
| Tax on: wages/salaries in per cent | 41 | 33 | 27 | 29 | 36 |
| Daily cash benefits in connection with pregnancy and birth, gross | 13 069 | 1 515 | 151 847 | 24 350 | 15 855 |
| Daily cash benefits in connection with pregnancy and birth, net | 9 021 | 1 117 | 112 800 | 18 296 | 10 281 |
| Tax on daily cash benefits in connection with pregnancy and birth | 31 | 26 | 26 | 25 | 35 |
| Unemployment benefits, gross | 13 087 | 1 199 | 73 765 | 15 194 | 14 310 |
| Unemployment benefits, net | 9 031 | 920 | 73 311 | 11 436 | 9 357 |
| Tax on unemployment benefits | 31 | 23 | 1 | 25 | 35 |
| Sickness benefits, gross | 13 069 | 1 515 | .. | 24 350 | 15 865 |
| Sickness benefits, net | 9 021 | 1 117 | .. | 17 339 | 10 288 |
| Tax on sickness benefits | 31 | 26 | .. | 29 | 35 |
| Retirement pension, gross | 10 570 | 1 322 | 134 796 | 12 490 | 13 074 |
| Retirement pension, net | 7 581 | 992 | 124 198 | 10 918 | 9 465 |
| Tax on retirement pension | 28 | 25 | 8 | 13 | 28 |
| Anticipatory pension, gross | 13 851 | 1 245 | .. | 13 228 | 12 829 |
| Anticipatory pension, net | 10 415 | 965 | .. | 11 343 | 9 300 |
| Tax on anticipatory pension | 25 | 22 | .. | 14 | 28 |
| Social benefits, non-insured persons, gross | 7 919 | 489 | 67 000 | .. | 5 993 |
| Social benefits, non-insured persons, net | 5 865 | 399 | 67 000 | .. | 4 043 |
| Tax on social benefits, non-insured persons | 26 | 18 | - | .. | 33 |

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Table 10.12 Cash benefits exempt from tax/subject to tax, total and as percentages of the GDP, 1995-2002

| | Cash benefits exempt from tax | | | Cash benefits subject to tax | | |
|----------------------|-------------------------------|-----------------------------|--|------------------------------|-----------------------------|--|
| | Total, million KR/EUR | As percentage of the GDP | As percentage of all cash benefits | Total, million KR/EUR | As percentage of the GDP | As percentage of all cash benefits |
| <i>1995</i> | | | | | | |
| Denmark | 18 764 | 2 | 9 | 188 292 | 19 | 91 |
| Finland | 2 685 | 3 | 13 | 17 977 | 19 | 87 |
| Iceland | 6 574 | 2 | 15 | 37 653 | 8 | 85 |
| Norway | 20 204 | 2 | 14 | 126 225 | 14 | 86 |
| Sweden | 32 458 | 2 | 9 | 328 367 | 19 | 91 |
| <i>2000</i> | | | | | | |
| Denmark | 23 737 | 2 | 11 | 199 950 | 16 | 89 |
| Finland | 2 601 | 2 | 12 | 18 599 | 14 | 88 |
| Iceland | 5 672 | 1 | 9 | 57 501 | 9 | 91 |
| Norway | 23 736 | 2 | 12 | 178 615 | 13 | 88 |
| Sweden | 32 695 | 2 | 8 | 352 586 | 16 | 92 |
| <i>2001</i> | | | | | | |
| Denmark | 25 852 | 2 | 11 | 207 290 | 16 | 89 |
| Finland | 2 661 | 2 | 12 | 19 512 | 14 | 88 |
| Iceland | 7 066 | 1 | 10 | 64 850 | 9 | 90 |
| Norway | 26 417 | 2 | 12 | 190 941 | 13 | 88 |
| Sweden | 34 053 | 2 | 9 | 364 286 | 16 | 92 |
| <i>2002</i> | | | | | | |
| Denmark | 26 212 | 2 | 11 | 213 825 | 16 | 89 |
| Finland | 2 691 | 2 | 12 | 20 659 | 15 | 88 |
| Iceland | 7 656 | 1 | 9 | 76 032 | 10 | 91 |
| Norway ¹⁾ | 26 927 | 2 | 11 | 211 192 | 14 | 89 |
| Sweden | 33 886 | 1 | 8 | 392 954 | 17 | 92 |

1 Figures up until 2001 are not comparable to figures for 2002.

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Table 10.13 Taxation on cash benefits, 2002

| | Social expenditure, million KR/EUR | Of which cash benefits, million KR/EUR | Cash benefits exempt from tax, as per- centage of all cash benefits | Cash benefits subject to tax, as per- centage of all cash benefits |
|-----------------------------|--|---|---|--|
| | 1 | 2 | 3 | 4 |
| <i>Denmark</i> | | | | |
| I. Families and children | 52 877 | 21 041 | 66 | 34 |
| II. Unemployment | 36 552 | 35 330 | - | 100 |
| III. Illness | 82 782 | 13 630 | - | 100 |
| IV. Old age | 149 019 | 124 235 | 2 | 98 |
| V. Disability | 50 973 | 34 075 | 22 | 78 |
| VI. Survivors | 143 | 1 | 100 | - |
| VII. Housing | 9 155 | - | - | - |
| VIII. Other social benefits | 14 388 | 11 723 | 21 | 79 |
| IX. Administration | 11 738 | - | - | - |
| Total I.-IX. | 407 627 | 240 035 | 11 | 89 |
| <i>Finland</i> | | | | |
| I. Families and children | 4 169 | 2 355 | 62 | 38 |
| II. Unemployment | 3 509 | 3 207 | 1 | 99 |
| III. Illness | 8 879 | 1 739 | - | 100 |
| IV. Old age | 11 793 | 10 564 | 4 | 96 |
| V. Disability | 4 800 | 3 622 | 7 | 93 |
| VI. Survivors | 1 388 | 1 383 | 3 | 97 |
| VII. Housing | 413 | - | - | - |
| VIII. Other social benefits | 785 | 480 | 96 | 4 |
| IX. Administration | 1 174 | - | - | - |
| Total I.-IX. | 36 908 | 23 350 | 12 | 88 |
| <i>Iceland</i> | | | | |
| I. Families and children | 22 041 | 10 434 | 54 | 46 |
| II. Unemployment | 3 481 | 2 873 | 3 | 97 |
| III. Illness | 63 491 | 12 538 | - | 100 |
| IV. Old age | 47 955 | 34 494 | - | 100 |
| V. Disability | 23 289 | 14 914 | 9 | 91 |
| VI. Survivors | 4 866 | 4 866 | 5 | 95 |
| VII. Housing | 1 342 | 1 342 | 31 | 69 |
| VIII. Other social benefits | 4 355 | 2 226 | - | 100 |
| IX. Administration | 2 598 | - | - | - |
| Total I.-IX. | 173 418 | 83 686 | 9 | 91 |

/ ... to be continued

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Table 10.13 ... continued

| | Social ex- penditure, million KR/EUR | Of which cash benefits, million KR/EUR | Cash benefits exempt from tax, as per- centage of all cash benefits | Cash benefits subject to tax, as per- centage of all cash benefits |
|----------------------------------|---|---|---|--|
| | 1 | 2 | 3 | 4 |
| <i>Norway</i> | | | | |
| I. Families and children | 47 921 | 29 920 | 64 | 36 |
| II. Unemployment | 10 055 | 8 638 | - | 100 |
| III. Illness | 133 882 | 49 421 | - | 100 |
| IV. Old age | 113 285 | 82 707 | - | 100 |
| V. Disability | 69 339 | 55 614 | 5 | 95 |
| VI. Survivors | 5 678 | 5 436 | 1 | 99 |
| VII. Housing | 2 583 | - | - | - |
| VIII. Other social benefits | 9 457 | 5 307 | 91 | 9 |
| IX. Administration ¹⁾ | 8 394 | - | - | - |
| Total I.-IX. | 47 921 | 29 920 | 64 | 36 |
| <i>Sweden</i> | | | | |
| I. Families and children | 70 061 | 40 336 | 59 | 41 |
| II. Unemployment | 38 806 | 31 900 | - | 100 |
| III. Illness | 199 030 | 55 842 | - | 100 |
| IV. Old age | 255 478 | 194 925 | - | 100 |
| V. Disability | 85 980 | 51 113 | 2 | 98 |
| VI. Survivors | 14 868 | 14 868 | - | 100 |
| VII. Housing | 14 401 | - | - | - |
| VIII. Other social benefits | 15 254 | 9 355 | 100 | - |
| IX. Administration | 13 907 | - | - | - |
| Total I.-IX. | 707 785 | 398 339 | 9 | 91 |

1 Including 151 million of expenses on interest.

Chapter 11

Staff and Staff Statistics in Services for the Elderly in the Nordic Countries

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1. Introduction

All over the industrialized world, welfare policies for the elderly are discussed, reviewed and decided. An adjustment to higher demands and expectations for services for the elderly is seen, as well as an adjustment to the demographic basis, both the present and the future. The Nordic countries are no exception. In all the countries, policies are discussed and implemented to improve the current quality and efficiency of the services for the elderly, such as replacement of traditional institutions with more modern forms of old age housing or the creation of systems that better adapt the services for the elderly to the wishes of the elderly. Prognoses indicate that

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in future the number and ratio of very old people and people demanding care will rise; in a few decades, there will be a significant increase. Simultaneously, prognoses indicate that the ratio of people of working age will decrease. This will, if all other conditions remain unchanged, lead to relatively fewer people being productive in society, and it may put services for the elderly in a very difficult competitive situation in terms of future recruitment of staff. The concept of staff should not just be seen as having a quantitative value. Staff must also be acceptably competent, not least to be able to satisfy demands for care that are likely to be more varied and complex in the future.

A worrying staff situation within services for the elderly characterizes all the Nordic countries, Sweden not least. In the summer of 2002, ten public authorities in Sweden were given the task by the Government to draw up a common plan for the provision of competence within municipal services for the elderly and the disabled. The initiation of this project should be seen as an expression of the level of government concern over the future staff situation.

Within the nursing and care sector, staff is and will remain the central resource. It is staff, its quantity and qualifications, which creates the preconditions for quality. The way in which staff is utilized creates the preconditions for efficiency. It is therefore important that reliable statistics exist on what is done, for whom it is done and who is doing it. Staff statistics are an important part of the statistics on services for the elderly. With the help of statistics, it is possible to follow up on activities and thereby also achieve better planning. Staff statistics may vary in design and scope. Staff statistics can show how many people (heads) are active in services for the elderly or are likely to be needed in the future. If these employees can be categorized according to e.g. sex, age and education, the statistics can provide a basis for prognoses on recruitment and qualification demands. Another design could be aimed at gaining an, at least rough, estimate of resource availability and efficiency for different activities. Such information could be used for e.g. various forms of evaluation.

Staff statistics may also be used for comparative studies among various countries. The Nordic countries are often grouped together as a common type of "welfare state". Common characteristics are a relatively large public sector, a high tax level and social services that are in principle available to the whole population. These similarities motivate us to compare our countries. What can we learn from our neighbours?

Systematic comparisons of the services for the elderly in the Nordic countries remain rare, though. In the middle of the 1980s, the so-called

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KRON project was implemented, comparing costs and quality of public services, among them services for the elderly. In Sweden, this project provided experience that was useful for the enhancement of the efficiency within the services for the elderly. Since the KRON project, no major comparative study has been made.

The current and future staff situation within the services for the elderly enhances the need for good and reliable staff statistics. This again raises the question of whether the Nordic countries can learn from each other, and if so, what can be learned. This could concern ways of producing statistics and what is to be gained from routine statistics. The question could also be whether any form of common standards is needed to achieve comparability between countries. Such standards could in that case be the basis for national evaluations of resource availability and productivity.

In this chapter, an inventory of staff statistics found at present (autumn of 2003) in Denmark, Finland, Norway and Sweden is laid out. What are the similarities and differences between the countries in terms of the gathering of data? What similarities and differences are found concerning age, sex, education, employment rate, etc.? Are prognoses for the future staff situation produced, and if so, how are they produced, and what do they show? The chapter is hopefully to form the basis for in-depth discussions on the production of statistics on services for the elderly.

The chapter begins with an overview of the nature and organization of services for the elderly in the different Nordic countries (Section 2). This section should be seen as providing a general framework. Following this, Section 3 describes the basis, methods and forms of presentation of staff statistics in the various countries. The fourth section contains examples of staff prognoses within services for the elderly. Section 5 is a short discussion on whether any form of common features is needed in the production of statistics in the Nordic countries and the forms of presentation used.

2. Services for the Elderly in the Nordic Countries

This section is an overview of the scope and content of services for the elderly in the Nordic countries. The purpose of the section is to provide a framework for the following sections on staff statistics.

2.1 Services for the Elderly in Denmark

According to the Danish Social Services Act, the municipalities are obliged to offer personal assistance and care and help or support towards necessary practical domestic tasks to people with reduced physical or mental abilities. The municipality evaluates the need for support. Home help can be awarded independently of type of housing. Apart from people's own homes, the following housing types exist for the elderly:

1. homes for the elderly and residential homes according to the Subsidized Housing Act or the Act on Housing for the Elderly and the Disabled
2. residential nursing homes
3. protected housing units
4. other kinds of housing for the elderly (communal housing and other housing units to which the municipalities have a right of allotment).

Housing under Items 2 and 3 are considered as institutions. Such institutions are no longer built. Other forms of housing are treated as private homes for which rent is paid, and currently for example modern residential homes (Item 1 above) are built and laid out in buildings with access to services, common rooms and staff present around the clock.

Services for the elderly in Denmark are financed by municipal taxes but also by certain state funding. Home help is free of charge for the users, and for living in special housing rent is paid.

In March 2003 there were 203 200 recipients of home help. Of these, 31 000 were under 67 years of age. 70 500 people lived in special housing (Items 1-3 above), of which 7 900 were under 67 years of age. Table 1 shows the services provided broken down by age. Data for Denmark cannot be broken down by sex.

STAFF AND STAFF STATISTICS IN SERVICES FOR THE ELDERLY

Table 1 Recipients of services in Denmark by age groups. March 2003

| | 67-79 year-olds | 80 year-olds and over | Total |
|--|-----------------|--------------------------|---------|
| Home help | 64 500 | 107 700 | 172 200 |
| Special housing for the elderly | 18 800 | 43 800 | 62 600 |
| <i>As percentage of the respective age group</i> | | | |
| Home help | 13.4 | 49.6 | 24.6 |
| Special housing for the elderly | 3.9 | 20.2 | 8.9 |

Since home help may also be awarded to elderly people living in special housing units, the total number of recipients of some kind of services for the elderly is uncertain. It can, however, be estimated to 221 000 people. Of these, an estimated 188 300 were 67 years old or older, which is 27 per cent of the total population of elderly people.

In addition to home help and special housing, there are day-care homes and day-care centres for the elderly. In March 2003, day-care homes were visited by 7 600 people, and day-care centres had 44 500 visitors.

There are two different kinds of day-care centres: Centres that offer training for the sustenance of physical and mental abilities, and centres that offer various kinds of more general activities. Rehabilitation, where a reduction in capacity is treated independent of hospital care, is the responsibility of the municipality. This covered 9 000 people in March 2003. The figure cannot be broken down by age.

Relief and assistance to care given by relatives exists, covering 800 people in 2002. The same year, 7 500 elderly people received temporary home help. If the municipality cannot provide the necessary home help or relief, a cash benefit may be payable towards the purchase of services. This covered 800 people in the course of 2002.

A care allowance may be payable to those who lose income from work while caring for dying people. In the year 2002, this care allowance was paid out to 800 individuals caring for elderly people.

A law specific for Denmark is the Act on Preventive Home Visits. According to this Act, municipalities are obliged at least twice a year to offer a home visit to people, who are 75 years of age or older. At these visits, which are optional to the elderly, their current life situation is discussed, participation in networks, needs for technical aids, etc. 181 000 home visits were carried through in 2001.

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There is a development in Danish services for the elderly towards less practical assistance and more personal nursing. There is, however, a problem of interpretation in that elderly people living in special housing may now receive home help. This may explain why home services statistics now show more hours for personal nursing and care.

Home nursing is a part of the municipal responsibility and is regulated by special legislation. Practically all municipalities have a common organization for home services and home nursing.

A general user choice system for home help was introduced on 1 January 2003. This means that recipients of home help have a right to choose another provider than the municipality. The municipality must define standards for quality and other demands to the providers. The municipality must also fix prices for specific needs for care. These prices should correspond to the municipality's own expenditure on the activities in question. The municipality must authorize and sign a contract with every provider of services that satisfy these demands. In March 2003, 54 municipalities had authorized 153 private providers. There were 7 200 recipients of private home help. For people in special housing, there are certain limitations to the use of user choice. The private providers have a right to offer extra services in addition to the basic product.

According to a relatively new law, private companies have the right to make a competing bid for the running of public services (challenging right). No private companies have, however, made use of this right.

Home nursing has so far not been covered by user choice, but the law has recently been changed.

In addition to municipal services for the elderly, there is in Denmark a special act on home services. The scheme covers practical help (cleaning and the like) in private homes delivered by authorized companies. The scheme covers all citizens (and not just the elderly) and users pay approximately 60 per cent of the hourly wage. From 2004, this scheme covers only pensioners.

There is a kind of flexibility in Danish home services in that the user, within the allotted time, to a certain degree may decide what services are to be carried out. In addition, there are rules on substitution time, which may be granted to elderly people if otherwise granted help has not been received in reasonable time.

The most important change in Denmark is the implementation of the user choice system in the country's 271 municipalities. At the time of introduction of the user choice system, municipalities received DKK 500 million as a special state grant for the improvement of the home help.

2.2 Services for the Elderly in Finland

Finnish municipalities, about 440 in number, are responsible for both social and health services. A municipality may produce services independently or in cooperation with other municipalities. A municipality may also buy services from private companies, from non-profit organizations or from other municipalities or co-municipalities. (Act on the Planning and State Share of Social and Health Services 785/1992.)

The most important kinds of services in Finnish care for the elderly are home help (personal nursing and care), home nursing, support services (various services such as meal and transport services), support for care by relatives, special housing, institutional care and health care services (i.a. primary health care). In Finland, services for the elderly are carried out both in the social sector and in the health sector. Long-term care in institutions and various intermediary forms of services to the elderly are given both in the social sector and in the health sector, but partly also in a cooperation between the two. Institutional care is provided in wards at health centres and in homes for the elderly. The social sector is usually responsible for housing and support services but also for day-care centres. The social sector and the home nursing services carry out home services in cooperation or separately.

Companies and organizations have in recent years increased their share of the social and health services, which at present amounts to approximately one fifth of all social and health services. The municipalities purchase mainly privately produced social services. The health sector purchases only a minor amount of services from private producers. These private companies are regarded as an integrated part of municipal social and health services.

Households may also buy private health services and home services directly from private service producers. These purchases may be supported by public means. The public health insurance reimburses e.g. part of the wages of private practitioners and costs of examinations and care bought from private service producers.

Social and health services for the elderly are financed mainly by tax funds, municipal and government taxes. Of the total costs for municipal social and health services, nine per cent were financed by user charges, 21 per cent by block grants and 70 per cent by municipal taxes in 2001. The block grant to the social and health services of the individual municipalities depends among other things on the age structure, level of illness and the employment rate in the municipality. The user charge ratio of the financing varies with different services. Users pay approximately 14 per cent of the

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costs for home services and approximately 10 per cent of health services. User charges cover 20 per cent of the costs for the homes for the elderly.

There is, as mentioned, a wholly private home-help service in addition to the municipal home-help service. The statistics gathered from municipalities do not allow for comparisons of municipal and private services, nor is it possible to calculate the total number of users. From various sources it is, however, possible to estimate that of all home-help services for the elderly, municipalities produce approximately three quarters and private companies approximately one quarter of the services.

In November 2002, 84 272 people aged at least 65 were covered by home-help services and/or home nursing. There were 22 650 people in special housing, about half of whom lived in residential homes with 24-hour care. 20 129 people were in homes for the elderly (of whom about 19 000 were in long-term care) and 11 645 people were in long-term care at health centres. Of the elderly in Finland, about 17 per cent were recipients of services for the elderly. Services received broken down by age groups are shown in Table 2. The so-called support services were provided to about 110 000 elderly. These services are not included in Table 2.

Table 2 Recipients of services in Finland by age groups. November 2002

| | 65-74 year-olds | 75-84 year-olds | 85+ year-olds | Total |
|--|-----------------|-----------------|---------------|--------|
| Home help | 15 081 | 40 532 | 28 659 | 84 272 |
| Special housing | 3 733 | 10 114 | 8 803 | 22 650 |
| Homes for the elderly | 2 345 | 8 016 | 9 768 | 20 129 |
| Health centres, long-term care | 1 702 | 4 811 | 5 132 | 11 645 |
| <i>As percentage of the respective age group</i> | | | | |
| Home help | 3.4 | 14.8 | 35.7 | 10.6 |
| Special housing | 0.9 | 3.7 | 11.0 | 2.9 |
| Homes for the elderly | 0.5 | 2.9 | 12.2 | 2.5 |
| Health centres, long-term care | 0.4 | 1.8 | 6.4 | 1.5 |

The development of services in Finland is characterized by an increase in special housing and a decrease in home nursing and long-term care at nursing homes and health centres. In recent years, there has been a small in-

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crease in support services, however, but not even these services have increased to the same degree as the number of elderly people. To encourage people to stay in their own homes, support to people caring for relatives has been given increasing weight. This support has undergone many reforms in the course of the 1990s. Especially in recent years, the number of elderly receiving care from relatives has risen. In 2002, about 17 000 elderly received support towards care by relatives. Day-care activities have also increased.

In addition to the decrease in the level of coverage, there has been another change in the extent of both home and institutional care, namely the aiming of the services towards increasingly older users with increasingly poorer health. Especially within institutional long-term care, users are nowadays far older and in far worse shape. Several of them have reduced cognitive abilities, reduced physical capacity and suffer from many illnesses.

Within Finnish services for the elderly, there are both private companies financed by municipalities and care provided by relatives who receive public financial support. The model for financial support to relatives seems so far to have a modest extent, but it is subject to a very lively discussion. The production of social and health services by companies and organizations has increased in recent years and now amounts to approximately one fifth of all social and health services. The most common are private companies, which can be seen as part of the municipal social and health services.

2.3 Services for the Elderly in Norway

In Norway, as in the other Nordic countries, the municipalities, of which there are 434, are responsible for the care for the elderly while the government has the responsibility for securing equal conditions by way of legislation, by setting the economic framework, by way of securing the availability of staff and by way of supervision and control.

Home-based services have two main components, practical support and home nursing. Practical support includes services such as home help, deputy housewives and other help in the home. The elderly may also be offered various forms of activation and other services such as support contacts or a place at a day centre. Those who are too ill or have problems taking care of themselves may be offered to stay at an institution for a longer or shorter period. They may also be offered special housing. A clear tendency within institutions is an increase in places at nursing homes and a decrease in the number of places at homes for the elderly.

Many municipalities offer some kind of relief to relatives by way of relief in the home, in institutions or in day centres. In home based care, a number

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of other services have been developed such as mobile caretakers for the house properties, food distribution and services in connection with the about 250 state-subsidized volunteer centres (centres organizing volunteers, which are run by municipalities or volunteer organizations).

In the statistics, the definition of an institution is a place where part of the area is for common use, there is shared housekeeping and permanently employed staff around the clock. Housing for the elderly (housing for care and nursing purposes) covers independent housing units where regular rent is paid by the elderly. Some of these housing units are connected to certain services but these are normally not available around the clock. As to other kinds of housing for the elderly, there is no such connection but the elderly may receive home services just as in normal homes. Housing for the elderly has often been adapted to suit the reduced functional abilities of the elderly, and there are often certain common services such as served meals.

The statistics about recipients of home services cover all who receive home help (practical assistance) and/or home nursing. Every individual receiving services is registered on a certain date at the end of the year. For practical home help, a household is registered as one person.

Table 3 shows recipients of care and nursing services in 2002. In total, there were 41 693 people living in institutions. Of these, 96 per cent were over 67 years old. 46 414 people lived in housing for the elderly, of whom 70 per cent were over 67 years old. In total, there were 161 998 recipients of home services. 25 per cent of the recipients of home services were below the age of 67 years.

Table 3 Recipients of services in Norway by sex and age, 2002

| | 67-74 year-olds | | 75-84 year-olds | | 85+ year-olds | | Total |
|--|-----------------|--------|-----------------|--------|---------------|--------|---------|
| | Men | Women | Men | Women | Men | Women | |
| Institutions | 1 384 | 1 585 | 5 062 | 10 396 | 4 674 | 16 820 | 39 921 |
| Housing for the elderly | 2 094 | 3 211 | 4 213 | 10 414 | 2 900 | 9 204 | 32 036 |
| Home help | 6 462 | 11 484 | 16 913 | 43 535 | 10 134 | 31 950 | 120 478 |
| <i>As percentage of the respective age group</i> | | | | | | | |
| Institutions | 1.2 | 1.2 | 4.8 | 6.6 | 18.3 | 26.8 | 6.6 |
| Housing for the elderly | 1.8 | 2.3 | 4.0 | 6.6 | 11.3 | 14.7 | 5.3 |
| Home help | 5.5 | 8.4 | 16.1 | 27.5 | 39.6 | 51.0 | 19.8 |

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During the 1990s, the Norwegian services for the elderly became insufficient compared to the large increase in the number of elderly people needing care and nursing. By means of an action plan for the services for the elderly, which was initiated in 1998, focus was directed at concrete areas at which efforts were to be aimed. The plan ran for four years and has led to a marked development in services. Various housing and institutions for the elderly have been built or renovated.

The municipalities are obliged to offer pay to relatives and the like with heavy care duties. This may be a spouse, parents with disabled children but also other volunteer carers without an obligation to provide care. In 2002, this type of supplement was payable to 6 749 providers of care, of whom half were parents of disabled children. Spouses made up the other large group.

Private service provision exists within the Norwegian services for the elderly. Frequently these supplement the purely municipal services and are run with municipal subsidies. The number of private companies and non-profit organizations operating within the institutional services amounts to approximately 10 per cent of all institutions. These institutions are usually part of municipal planning and receive considerable municipal funding. In some cases, services have been ousted by special competitive tendering. There are different possibilities: only municipal units compete, only private companies submit tenders or both private and municipal providers compete on equal terms. In spite of this competition, the municipality remains responsible for activities as the provider of funds and in relation to the users.

In 2002, expenditure on municipal nursing and care was about NOK 46 billion. Well over half of this amount went to institutions and housing. More than 90 per cent were financed by municipalities via taxes and block grants. In addition certain earmarked state grants were to provide the municipalities with an incentive to increase the availability of housing for the elderly and places at institutions and to improve the quality of existing housing and institutions.

Municipalities may demand user charges for stays at institutions. For long-term care the charge depends on income; for short-term care the charge is fixed by the state independent of income. Outside of institutions, municipalities may not charge for important services such as home nursing, personal care and relief. For practical assistance such as housecleaning and laundry services, charges may be levied that are fixed by the individual municipalities. There is no central regulation with the exception that charges may not exceed a municipality's own expenses.

2.4 Care for the Elderly in Sweden

The municipal responsibility for care and services to the elderly is regulated in the Social Services Act, the Health and Medical Services Act and the Act on Support and Service to Certain Disabled People. The basic principles for municipal services for the elderly are self-determination and normalization. This implies among other things that municipal care is primarily to be directed at activities such as home-help services and day services, etc. aimed at enabling the individual to remain in his or her own home. To elderly people with a large need for care, the municipality may offer services and care in so-called special housing (a collective term for what was previously called sheltered housing, old age homes, group housing and nursing homes). One idea behind the term special housing was to get away from the institutional character.

A significant part of the services for the elderly is carried out by relatives. Under certain conditions individual municipalities may decide to grant a supplement for such efforts, a so-called relatives allowance. On 1 October 2002, about 5 500 old age pensioners were granted this allowance. At the same time, relatives employed by the municipality were caring for 2 100 old-age pensioners. For relief and temporary care, the municipality may offer short-term care or housing.

Municipalities are responsible for home nursing in special housing and day care (excluding medical care). In addition about half of the Swedish municipalities have been given all or part of the responsibility for home nursing in ordinary housing. Apart from this, the counties are responsible for the health care.

Prior to any action, local authorities assess an individual's need for care, in cooperation with the county authorities where appropriate, the so-called coordinated planning. This estimation is the basis for services as well as for follow-ups and reviews of decisions.

The financing of municipal services for the elderly comes mainly from municipal taxes, block grants and user charges. Expenses on municipal services for the elderly are approximately SEK 75 billion. An estimated 95 per cent are financed by municipalities and block grants; other financing comes from user charges. Of the total expenses, about SEK 10 billion were costs for services provided by private companies.

The total number of recipients of home help in 2002 were 125 700, of whom 26 800 received both home help and home nursing. 15 300 received home nursing only. The number of people in special housing were 115 500 and the number of people on a short-term stay were 9 100. 13 000 partook in day-care activities.

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Services from municipalities and counties to the elderly mainly include

- home help including housekeeping services (cleaning, washing, shopping, cooking, etc.) as well as personal care for physical, mental and social needs. Accompanying and relief of relatives may be part of the home help.
- home nursing, i.e. services according to the Health Services Act performed by specially qualified staff,
- short-term housing for relief or when there is a temporarily increased need for care,
- day care,
- special housing for the elderly and
- care allowances to relatives.

A basic precondition is that the individual is not able to care for his or her own needs and that they cannot be taken care of in any other way.

Services broken down by age groups and sex are shown in Table 4. The figures refer to October 2002.

In recent years, home services in Sweden were restructured: a decreasing part with less hours spent on practical assistance and an increasing part with more comprehensive nursing and care assistance. Municipal assessments of need have become stricter, and elderly people with special needs are given highest priority. Those with more basic needs are to a higher degree cared for by relatives or purchase private services. The coverage of home services is decreasing while those who receive home services become older and demand more care with more hours of nursing than before.

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Table 4 Recipients of services in Sweden by age and sex. October 2002

| | 65-74 year-olds | | 75-84 year-olds | | 85+ year-olds | | Total |
|--|-----------------|-------|-----------------|--------|---------------|--------|---------|
| | Men | Women | Men | Women | Men | Women | |
| Home help in ordinary housing | 6 950 | 9 810 | 16 819 | 37 793 | 13 672 | 40 131 | 125 175 |
| Only home nursing | 1 417 | 1 586 | 3 005 | 4 254 | 1 758 | 3 774 | 15 312 |
| Special housing | 4 665 | 5 279 | 14 365 | 27 480 | 15 349 | 48 384 | 115 522 |
| <i>As percentage of the respective age group</i> | | | | | | | |
| Home help in ordinary housing | 2.6 | 3.2 | 6.7 | 10.8 | 18.9 | 25.6 | 8.9 |
| Only home nursing | 0.5 | 0.5 | 1.2 | 1.2 | 2.4 | 2.4 | 1.1 |
| Special housing | 1.7 | 1.7 | 5.7 | 7.9 | 21.3 | 30.9 | 8.2 |

In October 2002, 9 100 elderly people were in short-term care or short-term housing - an increase of 7 per cent in one year. This rise may be seen as a consequence of the increase in demanding care in home services. Regarding the number of individuals being granted day-care services, there was a decrease from 2001 to 2002. Whether this development continues remains to be seen.

All nursing and care are mainly publicly financed and organized. The provision of services is covered by the Public Procurement Act. All organizational variants are in principle allowed. For practically all variants it goes that the main staffing and the main responsibility for the services remains with the local authorities.

In 19 municipalities, mainly in the Stockholm area, a model with user choice is implemented. Services are in these cases carried out by way of authorisation of providers by the local authorities or in accordance with a framework agreement with the local authorities according to the Public Procurement Act.

During the 90s, the number of private service providers and the purchase of individual places increased highly, both as to home help and special housing. Of approximately 240 000 people receiving home services or living in special housing, an estimated 25 000 receive assistance from private providers.

A precondition for giving the elderly increased freedom of choice is that local authorities develop a system where the providing units, their own as

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well as private companies, are granted funds per specific service delivered. 60 municipalities have introduced performance-related control systems for home help in ordinary housing, 36 municipalities have done so even for special housing. 53 municipalities offer certain services by individual choice without any previous evaluation of need.

The most important changes in Swedish services for the elderly can be summed up as follows:

- Services for the elderly are directed increasingly at single people with a great need for care and nursing.
- Increasingly strict assessment of the need for home help. It becomes more and more difficult to be awarded any services. The elderly with the most urgent needs are given priority.
- Home help services are becoming increasingly cost-effectively designed. Where shopping was previously done in the company of the pensioner, goods are to an increasing extent delivered to the home. Instead of cooking in the pensioner's kitchen, food is now prepared in central kitchens and distributed in food boxes to the individual. Consequently, the social element of municipal home help is diminished.
- The services for the elderly are increasingly changed into nursing and directed at covering elderly people's need for nursing.
- Increasing demand for care and shorter care periods in special housing.
- Today, a large part of the care and nursing for the elderly is carried out by relatives.
- The interest in privatization continues to increase.

2.5 Common Features in Services for the Elderly in the Nordic Countries

The services for the elderly in the Nordic countries display certain common features, but there are also notable differences from one country to another. The common trait, and what possibly most motivates the mention of a "Nordic service model", is the municipal responsibility for services to the elderly and the mainly municipal financing. Furthermore, the priority given to the elderly staying in their own homes by means of services such as home help, home nursing, day-care centres and some kind of support to care by relatives is common to the Nordic countries.

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A thing that separates the Nordic countries from many continental countries is the fact that adult children have no statutory responsibility to care for their parents. Even if care by relatives is substantial in the Nordic countries, it is less prevalent than in other countries. Specific information on the extent of the care by relatives does, however, not exist for the Nordic countries, though estimates indicate that relatives contribute considerably also in the Nordic countries. An important question for the future is: where is the line to be drawn between the responsibilities of spouses towards each other and the duties of the public services for the elderly.

The differences between the various countries are clear, however. The public production of statistics on services for the elderly reveals large differences. Concepts and categories may vary. We may exemplify with the Swedish concept of "home help" ("hemtjänst"). This corresponds in Norway to "practical assistance", but not quite. In "practical assistance" is included e.g. user defined personal assistance. The Norwegian concept of "home help" ("hjemmetjenst") also includes home nursing. In Finnish statistics, there are three different concepts that more or less correspond to the Swedish "home help": "home help" ("hemvårdshjälp") (the concept used in this report), support services (including various services both in the home and in service centres) and regularly administered home nursing (covering people with a service or nursing plan and those who receive services regularly at least once a week).

Not just concepts and categories vary, the methods of collecting and presenting data are different. With this reservation it may be noted, however, that Denmark has far more extensive home services than the other Nordic countries (cf. Social Protection in the Nordic countries 2000, p. 130). A comparison of services for the elderly in the various countries is given in Table 5. The data on the extent of the services for the elderly come from Tables 1-4. The figures for Finland relate to people, who have received help in the course of one year; for other countries, they show users at a specific time.

Table 5 Users in services for the elderly in relation to the number of old-age pensioners, per cent

| | Denmark | Finland | Norway | Sweden |
|-----------------|---------|---------|--------|--------|
| Home help | 24.6 | 10.6 | 19.9 | 8.2 |
| Special housing | 8.9 | 6.8 | 11.9 | 7.5 |

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Almost one in four old-age pensioners in Denmark receives home help compared to e.g. 8 per cent in Sweden. However, recipients in Denmark receive relatively few hours compared to Sweden. The preventive home visits are also unique to Denmark. Furthermore, home help is free of charge for the users, which is not the case in the other countries, although municipalities in Norway must not charge for personal care services. A principal organizational difference between the countries is that Finnish municipalities (or co-municipalities) are responsible for health care in general and not just for home nursing.

Certain common developments are seen in the Nordic countries. The demographic pressure creates a higher concentration of cases that demand more care, and nursing becomes increasingly important in services for the elderly. One effect of this is also that personal care and nursing increase compared with more practical assistance. Another tendency is the replacement of previously common institutions with more modern special housing for elderly people in need of care.

The tendency towards privatization is significant in the Nordic countries. This has increased in recent years, and private service providers are now common. In all the countries, user-choice systems have also been discussed and in some cases introduced. Some Swedish municipalities were pioneers in this field in the early 1990s, but Denmark has gone the furthest in this development with the recent introduction of a general user-choice system.

3. Staff and Staff Statistics in Services for the Elderly

In this section, we will describe the statistics and statistics production regarding staff in services for the elderly. By statistics is here meant routine statistics that are gathered and presented. Staff categories are expressed in the way they are presented in the statistics of the respective countries. The concept ISCO, which is used in the text, is an international job classification system (International Standard Classification of Occupations).

3.1 Denmark

In Denmark, staff statistics are based on electronic data from public wage statistics. Data come from the municipal wage offices and are sent to Statistics Denmark via a common municipal wage data office.

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As to services for the elderly it applies that home services and care performed at institutions are considered as one single service. Data are registered for each individual and are grouped according to DISCO codes, which are automatically assigned on the basis of information on which wage agreement the individual is covered by (DISCO is the Danish version of ISCO). In the data on services for the elderly, staff caring for the disabled are also included.

A total of 12 DISCO codes are used within the services for the elderly. The counting unit is hours worked per week, i.e. the time for which wages are payable. Full-time employment is 37 hours per week, which is a full-time equivalent. A person employed for 30 hours a week accounts for 30/37 of a full-time equivalent, etc. Wage data for February is used to express the first quarter of the year. These show the number of hours for which an employee has been paid in February. The number of hours is converted into weekly hours that are used to calculate the use of staff in March. Statistics are seen in Table 6.

Danish statistics do not show employees who are paid by the hour, but these are included in the total calculation basis. Nor do they show absence or reasons for absence. Data on the number of employees in private companies are not available, but private institutions fill in a form provided staff is not included in the municipal electronic data. Employees in companies within the user-choice system are not included in the data, however.

Sex, age and education are not part of the registered statistics. On the basis of personal identification numbers, full-time equivalents can in principle be broken down by sex and age, however. They can also be combined with e.g. education statistics.

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Table 6 Staff in services for the elderly, etc. in Denmark, as full-time equivalents by function. Mars 2002

| | Full-time equivalents | Per 100.000 aged 67+ |
|--|--------------------------|-------------------------|
| <i>Administration, etc.</i> | | |
| Management | 308.8 | 44 |
| Administrative work | 1 648.5 | 235 |
| General office work | 1 747.1 | 249 |
| <i>Care and nursing, etc.</i> | | |
| Nursing | 9 764.4 | 1 394 |
| Physiotherapy, etc. | 2 699.7 | 385 |
| Pedagogical work | 1 193.6 | 170 |
| Auxiliary nurses, etc. | 26 140.8 | 3 732 |
| Home helpers, non-trained home helpers, etc. | 45 101.3 | 6 439 |
| <i>Kitchen, cleaning, janitors, etc.</i> | | |
| Food services and preparation of meals | 4 283.0 | 611 |
| Cleaning and kitchen assistance | 5 132.0 | 733 |
| Inspectors and janitors | 1 815.6 | 259 |
| Total | 99 838.8 | 14 253 |

Present statistics began in 2000. Previously, data were gathered in total on all staff categories according to basic questions. These staff categories do not correspond to the DISCO codes. Time series for staff in services for the elderly can be found in the statistics bank of Statistics Denmark.

3.2 Finland

In Finland, statistics are gathered by Statistics Finland. The total basis is then computed and presented by STAKES, the research and development centre for social and health services. Finnish staff statistics are also based on ISCO codes. There are two kinds of statistics, a municipal staff register and employment statistics. The municipal staff register has data for October each year. Employment statistics by occupation are gathered every five years and cover the whole year. In addition to the staff register, the statistics make use of many other registers from the tax register to the education register.

From the Finnish statistics can be read the number of employees in care services, employment rate, leave from work, type of work, hours worked, sex, age and education (ISCED). It also appears how many employees are employed by private companies, and how many relatives work with public

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financial support. These data can only be ISCO classified every five years, but for each area of service, there are figures for every year. Finnish statistics show only employees with monthly wages. Payment by the hour does not exist as a type of employment in Finland.

Comparable statistics from the municipal staff register exist from 1989 and from the employment statistics for the years 1995 and 2000.

Statistics in Finland show occupations according to ISCO codes in institutional services for the elderly, home help and primary health services (long-term care). The staff shown is in general only active in services for the elderly. Table 7 shows the staff status in October 2002. Figures are given as full-time equivalents, which is defined as the sum total of the full-time employed and 60 per cent of the part time employed less those on leave.

Table 7 Staff in Finnish services for the elderly. Full-time equivalents. October 2002

| | Institutions | Home help | Primary health care | Total |
|--------------------|--------------|-----------|---------------------|--------|
| Managers | 260 | 35 | 20 | 315 |
| Doctors, | | | | |
| Head nurses | 370 | 35 | 1 455 | 1 860 |
| Social workers | 55 | 15 | 80 | 150 |
| Nurses | 1 410 | 210 | 5 040 | 6 660 |
| Auxiliary nurses | 7 800 | 2 760 | 7 250 | 17 810 |
| Home helpers | 1 200 | 8 920 | 50 | 10 170 |
| Non-trained | | | | |
| home helpers | 3 690 | 180 | 2 280 | 6 150 |
| Others | 3 585 | 915 | 2 565 | 7 065 |
| Total | 18 370 | 13 070 | 18 740 | 50 180 |
| <i>Per 100 000</i> | | | | |
| <i>aged 65+</i> | | | | |
| Managers | 33 | 4 | 3 | 40 |
| Doctors, | | | | |
| Head nurses | 47 | 4 | 183 | 235 |
| Social workers | 7 | 2 | 10 | 19 |
| Nurses | 178 | 26 | 636 | 840 |
| Auxiliary nurses | 984 | 348 | 914 | 2 246 |
| Home helpers | 151 | 1 125 | 6 | 1 283 |
| Non-educated | | | | |
| home helpers | 465 | 23 | 288 | 776 |
| Others | 452 | 115 | 323 | 891 |
| Total | 2 317 | 1 648 | 2 363 | 6 328 |

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The staff development in Finland from 1990 to 2002 was characterized by a slight decrease within institutions, an increase within home help and a 10 per cent decrease within primary health services. The group auxiliary nurses has increased by about 40 per cent, while non-trained home-helpers has decreased by 25 per cent.

3.3 Norway

The source for Norwegian data on staff in services for the elderly and the disabled has so far been the nursing and care statistics. These statistics are gathered and computed by Statistics Norway. The purpose of the statistics is to give a total overview of the nursing and care services at municipal level. The nursing and care statistics are based on a form that is sent annually to all municipalities and institutions within nursing and care services. The information contains data on home help, institutions and special housing for the elderly and the disabled and staff in nursing and care services.

The statistics are based on registration of nursing and care services in all municipalities including both private and municipal institutions.

In Norway, staff members are counted in full-time equivalents. See Table 8. In the full-time equivalents are included all work carried out in home services and institutions. In addition to the direct work involving the users, administration and supervision, cleaning and kitchen work is also included. Uniquely for Norway is that employees are registered by their education (according to the view that formal skills acquired from education is more important and safer than the occupation). This is done per 31 December. Only the fixed working hours are registered, not the actual hours working. Overtime is not included. Part-time employed people are converted into full-time equivalents.

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Table 8 Staff in nursing and care in Norway, 1999 and 2002. Full-time equivalents

| | 1999 | | 2002 | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Full-time equivalents | Per 100 000 aged 67+ | Full-time equivalents | Per 100 000 aged 67+ |
| Psychiatric nurses | 972 | 157 | 1 149 | 189 |
| Geriatric nurses | 534 | 86 | 730 | 120 |
| Other nurses | 14 059 | 2 273 | 14 929 | 2 458 |
| Registered nurses for the mentally subnormal | 2 585 | 418 | 3 351 | 552 |
| Auxiliary nurses | 28 653 | 4 632 | 29 760 | 4 900 |
| Ergo therapists | 478 | 77 | 497 | 82 |
| Social workers | 317 | 51 | 460 | 76 |
| Other personnel for the mentally subnormal (university education) | 1 121 | 181 | 1 576 | 259 |
| Occupational therapists for elderly and disabled | 1 572 | 254 | 1 626 | 268 |
| Care worker | 3 723 | 602 | 5 833 | 960 |
| Other auxiliary nursing personnel | 10 606 | 1 714 | 11 660 | 1 920 |
| Home helper/others providing practical assistance | 8 657 | 1 399 | 7 228 | 1 190 |
| Other staff in services directed at users | 2 731 | 441 | 3 296 | 543 |
| Service functions (kitchen, washing, janitors, etc.) | 7 839 | 1 267 | 7 431 | 1 223 |
| Other staff in administration and management | 2 522 | 408 | 2 931 | 483 |
| Unspecified | 0 | 0 | 1 | 0 |
| Total | 86 369 | 13 962 | 92 458 | 15 222 |

In Table 8 the full-time equivalents used in nursing and care services in 1999 and 2002 are shown. The category "Other staff in services directed at users" includes a.o. staff in nursing services for children. In total, 92 458 full-time equivalents were put in in 2002. This is an increase of nearly 6 100 compared with 1999. The statistics for the municipal health services show that 600 additional full-time equivalents were put in by doctors and physiotherapists in institutions for the elderly and the disabled.

The statistics should be seen together with the statistics on municipal health care. Here an overview of full-time equivalents put into nursing and care services by doctors and physiotherapists can be found.

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The number of people paid by the hour cannot be seen from Norwegian statistics. Employees having been absent from work for four months or more are not included. In their place, the substitutes replacing them are included. Those absent less than four months are included, but their substitutes are not counted.

Comparable statistics are available for full-time equivalents from 1994.

3.4 Sweden

Staff statistics in Sweden show the situation in November of each year and are total surveys of all employees (paid by the month or by the hour) in Swedish municipalities. The Swedish Association of Local Authorities collects and studies the data, which are then passed on to Statistics Sweden, who produce the official statistics. The staff statistics at the national level are based on the wage statistics of the respective municipalities. The Swedish Association of Local Authorities have standardized the data in the wage statistics in order to achieve unity and comparability. The PA systems of all municipalities have been equipped with automatic file transfer of the desired information to a central database administered by The Swedish Association of Local Authorities. The data are collected annually.

The providers of data use the nomenclature for municipalities when classifying each employee. The result is then translated into the Standard for Swedish Occupational Classification, based on the ISCO by means of a key. The statistics contain data on employment conditions such as amount of hours worked, type of employment (permanently employed, substitute or paid by the hour), unemployment rate (in November), reason for absence as well as the agreed weekly hours of work. There are also data on sex and age. Data on education and skills are not gathered.

In the nomenclature, classification is made according to the main scope and character of the activity. Here, however, nursing and care are treated as one single concept of activities directed towards both the elderly and the disabled. It is therefore not possible to separate those active in services for the elderly in the statistics.

The routine statistics only contain data on municipal employees. Employees in private companies or counties are thus not included.

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Table 9 Municipal employees in nursing and care services in Sweden, 2002

| | Number | Per 100 000 aged 65+ years |
|--|----------------|----------------------------|
| Managers | 9 100 | 578 |
| Auxiliary nurses, non-trained home helpers | 192 200 | 12 204 |
| Nurses | 11 900 | 756 |
| Ergotherapists | 2 500 | 159 |
| Physiotherapists | 1 100 | 70 |
| Other care staff incl. personal assistants | 26 600 | 1 689 |
| Other staff (administration, cleaning, etc.) | 12 500 | 794 |
| Total | 255 900 | 16 249 |

So Table 9 includes all municipal employees in nursing and care services. Of these, 41 per cent were employed full time. Of the total number of employees, 42 300 were absent from work (due to e.g. illness, studies, caring for children) and the number in active work was therefore 213 700. The average employment rate for these was 83 per cent. In addition, there were 71 900 hourly-paid employees working on average 40 per cent of full time. The total number of full-time equivalents, the sum of permanent and hourly-paid employees converted into full time, was 207 341.

The public statistics do not, as mentioned above, include employees in private companies. Data on these have been gathered separately, and the number of employees amounts to 28 500.

It is actually only possible to compare staff statistics over time for the last decade, even if main staffing changes (such as the Ädel reform 1992) have complicated comparisons. The present employment codes were introduced in 1994 and are successively supplemented as new staff categories appear.

3.5 Current Changes in the Production of Statistics

There are no ongoing changes at present in Denmark. It is, however, discussed how it would be possible to gather data on staff employed in private services for the elderly.

Finland sees no current changes either, though a system for annual registration according to the ISCO in the private sector is being prepared. Presently such a registration takes place every five years.

In Norway, there are major changes under way. From the statistics year 2003, staff data for the nursing and care sector will be gathered from an individual-based register. This data are primarily based on information on

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employee matters from the employer-employee register. Every company is obliged to maintain such a register. Here data are continually registered in respect of every employee as to their type of employment, the start date and possible end date of their employment. With the aid of personal identification numbers, an employee can be connected to a number of other registers so that full-time equivalents for individual activities may be broken down by e.g. sex, age, education and nationality. A transition to the ISCO classification is currently under preparation.

In Sweden, there are no current changes in staff statistics.

3.6 Similarities and Differences in Staff Statistics

In all the Nordic countries, staff statistics are updated annually. The staff statistics of the Nordic countries do not just include staff that is directly involved in care and nursing. All the countries also gather figures for managers, administrators and other help staff (such as kitchen staff and janitors). The definitions for these staff categories may not be the same, but this is of little interest as these groups are relatively small.

A common trend in the Nordic countries is an already finished or ongoing transition to an individual-based statistics. Hereby refined data may become available and the quality of statistics may be improved. In a few years, Norway will switch to the ISCO system, which will then be used to classify occupations in all the countries, making it possible to compare staff categories. This is the end of similarities.

Only Finland gathers data on staff exclusively in services for the elderly. Staff groups from other care services are included in the statistics for the other countries. Nursing and care for the elderly and the disabled is so integrated in the municipalities that a separation of staff data is not possible.

The differences among the countries are at present considerable. There are differences in data sources. In Denmark, Finland and Sweden, wage statistics form the basis for the data, in Norway, it is the nursing and care statistics. Furthermore, the institutions responsible for statistics on services for the elderly are likely to differ in character regarding aims, perspective and attitudes as to how statistics are to be managed and what they should show. In Denmark and Norway, the central statistical bureaus perform the collection and computation. In Finland, STAKES, the research and development centre for social and health services, does the computation and presentation. In Sweden, statistics are gathered by the Swedish Association of Local Authorities, which is the interest group and employers organization of Swedish municipalities.

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There are significant differences in what can be read from the presented statistics. There is also some confusion in respect of concepts. The Danish and Norwegian concepts of "full-time equivalents" seem easy to understand but they do not have the same meaning in the two countries. In Denmark, the equivalents are calculated from the hours, which employees have been paid for, in Norway from agreed hours. In Norway, the employees who are absent for less than four months are included but their substitutes are not. In Denmark, substitutes are included. Another problem in Norwegian statistics is that employees are registered by education, such as social worker, and not by profession.

In the table below, full-time equivalents are equated to "full-time employed" (the employed less the absent converted into full time), which can be seen as a rough approximation. Table 10 shows what can be read from the countries' current statistics. The table gives the simple answers "yes" and "no". These answers are not always correct. In Denmark, for instance, data on sex and age are available in the basis, but not presented in the staff statistics. As for the distribution between home services and special housing for the elderly, the answer for Norway is negative, but municipal institutions may give figures for full-time equivalents. The Finnish answer on hourly-paid employees is "no", as there are no hourly-paid employees in Finnish services for the elderly. Furthermore, it is unclear whether all privately employed people are included in the basis, even if the answer is "yes". In Denmark, private employees are included, but not those in companies included in the user-choice system. In Norway, it is unsure whether municipalities record all employees within private services for the elderly.

Table 10 What can be read from the current statistics?

| | Denmark | Finland | Norway | Sweden |
|--|---------|---------|--------|--------|
| Number of employees | No | Yes | No | Yes |
| Absence from work | No | Yes | No | Yes |
| Number in work | No | Yes | No | Yes |
| Full-time employees | Yes | Yes | Yes | Yes |
| Figures for hourly-paid employees | No | No | No | Yes |
| Hourly-paid employees included in basis? | Yes | No | No | Yes |
| Nursing staff | Yes | Yes | Yes | Yes |
| Distribution between home help/special housing for the elderly | No | Yes | No | No |
| Sex | No | Yes | No | Yes |
| Age | No | Yes | No | Yes |
| Education | No | Yes | Yes | No |
| Figures for private employees | No | Yes | No | No |
| Private employees included in basis? | Yes | Yes | Yes | No |

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Table 10 refers to the current statistics. When combined with other registers, current statistics can be fairly easily completed in some cases. For instance data on age in Norway can be gathered from the statistics database. It also applies that private employees are only recorded according to the ISCO codes every five years in Finland.

In Section 2.5, it was found that there are certain common development trends in services for the elderly in the Nordic countries. Such a trend is the increased importance of the nursing services. As can be seen from the table, figures for nursing staff can be found in all the countries. For Sweden, however, nursing staff employed by the counties is not included in the statistics.

The development is also characterized by the replacement of more traditional institutions with special housing for the elderly where individual rent is paid by the elderly. As services for the elderly in this kind of housing is considered as "home help", it is often impossible to separate staff working in ordinary housing and in special housing for the elderly. This means that it has become almost impossible to read the staff density in different types of housing from the current statistics. Finland is an exception.

In all the countries, there is a tendency towards privatization. It is obviously of the greatest interest to be able to follow this development. Only Finnish statistics show private employees. In Denmark and Norway, they are part of the basis. In Swedish statistics, which are gathered by the municipal employers association, private employees are for obvious reasons not included. Swedish figures for those employed or engaged in the services are therefore estimates and not quite comparable to data from the other countries.

Another trend in the Nordic countries is the increasing importance in services for the elderly of care by relatives, who receive some kind of support from or are employed by the municipality. Figures for such relatives are not shown in the staff statistics of any country.

4. A Future Perspective for Staff in Services for the Elderly

Staff statistics are used as a basis for prognoses. Staff prognoses have received a certain attention as they usually indicate a growing demand for nursing staff as a consequence of the increasing number of elderly people. Staff prognoses can be prepared in different ways, they can be more or less sophisticated, and various authorities in a country, such as labour market

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and education authorities, may make their own prognoses. In this section, we will show some future scenarios for the Nordic countries. More thorough staff prognoses for the services for the elderly have been prepared in recent years in Norway and Sweden. The prognoses from these countries illustrate different methods that can be used in prognosis work.

4.1 Denmark

Statistics Denmark does not make staff prognoses. Generally, it can be said that services for the elderly are in a process of adjusting to the expected increase in the number of users.

Until 2035, the population over 65 years is calculated to increase by approximately 50 per cent. Any current staff prognosis is not available for services for the elderly but various organisations and ministries have attempted to anticipate how large the demand is going to be. According to Local Government Denmark there will be a substantial need for recruitment in the future. One problem is that a large part of the current staff will retire, another that the number of trained people is too small. In addition, many of those trained within the care services sector do not take on jobs within the sector. The situation will be especially difficult concerning nurses. For this group, there will be a constant need for recruitment until 2035.

4.2 Finland

The need for regular home care services arises on average at the age of 76 and the need for institutional care at somewhat over the age of 80. The oldest age group, i.e. people over the age of 85, are expected to grow from at present just under 80 000 to 169 000 by the end of 2030. In addition, there may be reason to consider the fact that those born in the years of the boom in the birth rate have not yet reached the age of 85 in 2030. The ratio of people over the age of 85 is expected to rise from 1.6 per cent to 3.2 per cent.

In Finland, special prognoses on staff in services for the elderly are not made. Different work force prognoses exist, prepared a.o. by the Ministry of Labour. The Ministry of Labour prognoses are carried out every five years, and cover the whole work force. According to the latest prognosis, the demand for workers within social and health services will increase from 320 000 in 2002 to approximately 400 000 in 2030. The prognosis is carried out by a simple projection from the number of elderly people over the age of 65, 75 and 85, respectively.

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4.3 Norway

In Norway, a model has been developed by Statistics Norway projecting the population by age, sex and municipality of residence. The population by age and sex is projected for 94 prognosis regions that are subsequently distributed on individual municipalities. The latest projection was based on the population on 1 January 2002. Three alternatives for fertility, mortality, net migration and mobility were included. The latest projection goes as far as 2020 for the municipalities and 2050 for the whole country. Projections that are in principle comparable exist from as early as 1969.

Table 11 shows the Norwegian projection when choosing the middle alternative for the four factors named above.

Table 11 Population prognosis for Norway by sex and age

| | Total | Under 65 ye- ars | 65-74 years | 75-84 years | 85+ years |
|-------|-----------|---------------------|-------------|-------------|-----------|
| 2002 | 4 524 066 | 3 848 245 | 323 581 | 265 071 | 87 169 |
| Men | 2 241 934 | 1 960 404 | 150 864 | 105 387 | 25 279 |
| Women | 2 282 132 | 1 887 841 | 172 717 | 159 684 | 61 890 |
| 2015 | 4 843 418 | 4 027 929 | 470 943 | 236 927 | 107 619 |
| Men | 2 409 229 | 2 046 077 | 229 854 | 100 222 | 33 076 |
| Women | 2 434 189 | 1 981 852 | 241 089 | 136 705 | 74 543 |
| 2050 | 5 591 166 | 4 225 583 | 563 942 | 521 715 | 279 926 |
| Men | 2 771 548 | 2 147 585 | 278 836 | 241 556 | 103 571 |
| Women | 2 819 618 | 2 077 998 | 285 106 | 280 159 | 176 355 |

It can be seen from the Norwegian prognosis that the elderly population (65+ years) is expected to increase by 21 per cent until 2015. Over the same period, the number of very old people (85+ years) is expected to increase by 23 per cent. In the projection to 2050, the population of elderly has roughly doubled while the number of very old has tripled.

HELSEMOD is a planning tool used to make projections of the labour market for staff within the social and health sectors. In the fall of 2000, a major project was initiated to gain a better overview of staff in this sector, something that contributed to the creation of a new statistical basis for HELSEMOD. Data from more recent years were put in use and new routines were established to make the best use of existing register data. Several staff groups were identified, and their occupation and working hours were obtained by way of a combination of data from the Board of Health's au-

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thorization register, the Statistics Norway's education register, the National Insurance Administration's employee register, and labour force surveys performed by Statistics Norway. Separate projections are carried out for 21 staff groups and supply and demand are projected separately. The development in demand is based on the observed splitting up of users by sex and age, the expected increase of the user group and the expected growth of the national economy. It is possible to add planned reforms to this. The development in supply is based on training capacity, age profile of the staff and preferences for employment and working hours within different age groups.

The presentation in HELSEMOD is relatively simple and the projections are to be seen as what might happen in the labour market under certain preconditions. That the market for each staff group is considered separately is one such simplification. Furthermore, there is uncertainty as to how changes in the age profile of the staff will affect the labour supply and how many within the educational sector finish their training and obtain relevant occupation within the social and health sector. In similarity with other prognoses, there is also uncertainty about economic growth and how this may create room for a higher standard or coverage. To allow for the latter uncertainty, three different alternatives for growth are used.

Table 12 presents different combinations of labour supply and demand (High, Middle, Low). This makes the spread of the balance as large as possible.

Table 12 Supply, demand and balance for social and health staff by education level, 1999-2020. Full-time equivalents following the HELSEMOD alternatives H, M and L

| | Supply | | | Demographics only | Demand | | | Balance of supply and demand | | |
|------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|------------------------------|---------------|---------------|
| | Alternative H | Alternative M | Alternative L | | Alternative H | Alternative M | Alternative L | Alternative H | Alternative M | Alternative L |
| 1999 | 167 658 | 167 658 | 167 658 | 171 303 | 171 303 | 171 303 | 171 303 | -3 646 | -3 646 | -3 646 |
| 2005 | 209 557 | 205 288 | 202 151 | 177 080 | 202 429 | 204 394 | 205 709 | 7 125 | 898 | -3 555 |
| 2010 | 240 944 | 232 373 | 226 058 | 181 061 | 219 561 | 224 856 | 228 454 | 21 383 | 7 516 | -2 398 |
| 2015 | 265 752 | 252 953 | 243 524 | 186 676 | 238 806 | 248 217 | 254 686 | 26 949 | 4 739 | -11 157 |
| 2020 | 285 184 | 268 282 | 255 822 | 195 007 | 263 144 | 277 590 | 287 642 | 22 041 | -9 309 | -31 818 |

The total supply is expected to increase by approximately 100 000 full-time equivalents, that is by 60 per cent. The labour shortage was at the starting point roughly 4 000 full-time equivalents. Following the middle growth alternative the shortage will be approx 9 000 full-time equivalents by 2020.

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The high growth alternative gives a surplus of 22 000, the low growth alternative a shortage of 32 000 full-time equivalents.

A special prognosis for services for the elderly is not produced. The relevant staff groups for services for the elderly are included in the 21 groups mentioned above. Table 13 shows projections for the staff groups most relevant to services for the elderly.

Table 13 Supply and demand for staff groups relevant to services for the elderly, 1999-2020, projected according to HELSEMOD, alternatives H, M and L. Full-time equivalents

| Category | Supply | Demand | Balance between supply and demand | | |
|--|--------|--------|-----------------------------------|---------------|---------------|
| | | | Alternative H | Alternative M | Alternative L |
| <i>Non-trained home helpers/care workers</i> | | | | | |
| 1999 | 50 653 | 51 626 | -973 | -973 | -973 |
| 2010 | 57 224 | 63 869 | -1 998 | -6 644 | -9 764 |
| 2020 | 55 069 | 79 406 | -14 213 | -24 337 | -31 218 |
| <i>Physiotherapists</i> | | | | | |
| 1999 | 6 375 | 6 377 | -2 | -2 | -2 |
| 2010 | 9 388 | 7 883 | 1 815 | 1 505 | 1 209 |
| 2020 | 11 443 | 9 687 | 2 493 | 1 756 | 1 077 |
| <i>Nurses</i> | | | | | |
| 1999 | 2 412 | 2 414 | -2 | -2 | -2 |
| 2010 | 2 628 | 2 841 | -105 | -214 | -315 |
| 2020 | 2 431 | 3 442 | -755 | -1 011 | -1 243 |
| <i>Auxiliary nurses</i> | | | | | |
| 1999 | 48 796 | 50 938 | -2 142 | -2 142 | -2 142 |
| 2010 | 69 263 | 67 795 | 4 646 | 1 468 | -667 |
| 2020 | 82 169 | 84 930 | 4 986 | -2 762 | -8 041 |
| <i>Special nurses for psychiatric and geriatric care</i> | | | | | |
| 1999 | 4 795 | 4 797 | -2 | -2 | -2 |
| 2010 | 11 244 | 11 118 | 1 124 | 126 | -405 |
| 2020 | 16 123 | 13 708 | 4 636 | 2 415 | 1 187 |

The results show that there may arise a considerable shortage of auxiliary nurses and care workers over time. The number of students in these educations has decreased while many older employees are due to retire. At the same time de-

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mand is rising. The upshot is a weak supply combined with an expected high demand. Even if there is a considerable expansion of the educational capacity for special nurses for psychiatric and geriatric care, it is not certain that it will be enough to fulfil the intentions for the reforms of the care services sector and the desire for a higher share of trained staff.

4.4 Sweden

The most recent population prognosis for Sweden was published in the autumn of 2003. The prognosis was prepared by statistics Sweden and is shown in Table 14.

Table 14 Population changes in Sweden between the years 2000, 2015 and 2030. Number of people (1 000) and per cent

| Age groups | 2000 | Change | 2015 | Change | 2030 |
|-------------|--------|-----------|--------|-----------|--------|
| | Number | 2000-2015 | Number | 2015-2030 | Number |
| 0-19 years | 2 139 | -1 | 2 119 | +10 | 2 330 |
| 20-64 years | 5 213 | +5 | 5 453 | +1 | 5 485 |
| 65-79 years | 1 078 | +33 | 1 430 | +7 | 1 528 |
| 80-89 years | 387 | +2 | 393 | +65 | 647 |
| 90+ years | 65 | +35 | 88 | +18 | 104 |
| Total | 8 883 | +7 | 9 486 | +6 | 10 102 |

The Swedish staff prognosis is based on demographic preconditions (including net migration) and labour market conditions (including years in education and training and working hours). Calculations of resources for the future municipal services are made on the basis of a.o. expected labour supply. This leeway is subsequently distributed proportionally to how the population-related needs develop. The demand for care is calculated from the expected average remaining years of life for those over the age of 65 and with certain assumptions about the development of health within different age groups. From these preconditions, the prognosis of the future staff demand is made, and it is consequently this number of staff for which there is scope within the expected municipal economic limits.

The staff prognosis has as its point of departure known conditions in the year 2000 when 21 000 auxiliary nurses and non-trained home-helpers, 1 800 nurses, 7 800 other staff and 550 managers, in total approximately 31 000 monthly-paid employees were recruited into municipal services for the

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elderly. In addition, an unknown number of hourly-paid employees were recruited (these are not included in the prognosis). Similar data from other care providers than the municipalities are not available, but from the assumption that approximately 10 per cent of the services for the elderly are carried out outside of municipalities, the equivalent staff demand of these care providers can be calculated. A total of 34 400 people were then recruited. See Table 15.

Table 15 Number of newly employed people in Sweden 2000

| Category | Number |
|---|--------|
| Auxiliary nurses/non-trained home helpers | 23 100 |
| Other staff | 8 700 |
| Nurses | 2 000 |
| Managers | 600 |
| Total | 34 400 |

In , an equal number of auxiliary nurses/non-trained home-helpers were hired as substitutes for temporary employees and substitutes for people on leave or with long-term illnesses, approximately 10 000 in each category. The calculation of future recruitment needs is based on three conditions: retirements, staff flow among temporary employees and the development of absence, especially due to illness. In addition, a calculated increase in the volume of activity and estimated increase in retirements due to an increasing ratio of older staff members have been taken into account. From the recruitment in 2000 broken down by occupational categories, similar prognoses for the situation in 2015 and 2030 can be made. See table 16. The figures concern for all care providers.

Table 16 Demand and recruitment need in Sweden

| | 2000 | 2015 | 2030 |
|------------------|---------|---------|---------|
| Demand | 268 000 | 320 000 | 370 000 |
| Recruitment need | 34 400 | 45 300 | 47 300 |

These data are based on a static calculation method. One limitation is that the staff flow, except retirements, is assumed to be unchanged, as is the balance of monthly-paid and hourly-paid employees.

In Sweden, a generational change is taking place among the staff until 2015. If the size of staff and the absence from work (due to illness, educational leave, etc.) remain at the current high levels, considerable new re-

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recruitment is needed and an estimated half a million people with an education in nursing and care must be recruited by 2015. With the current educational capacity the shortage of educated staff is estimated to be 200 000 in 2015. Between 2015 and 2030, the volume of activity is likely to increase considerably. The core question for the future staff recruitment will be already now to make care services for the elderly a more attractive occupation.

According to current estimates in Sweden, work within nursing and care will demand higher qualifications as a consequence of the more complex needs of the users and increasing expectations of the quality of services. The competence of staff must therefore be heightened in the future. According to the government, future staff should have at least basic training within their occupation, and more than today should have a university education.

The worrying staff situation that is here perceived in Swedish services for the elderly can be seen a.o. from the task given by the government in the summer of 2002 to the National Board of Health and Welfare together with nine other state authorities to prepare a common plan for the provision of competence to staff in nursing and care services for the elderly and the disabled. A national plan of action is to be prepared and is to be presented in May 2004.

4.5 General Health of the Elderly and Prognoses for the Future

Staff prognoses are calculations made from certain fixed preconditions. These can be made and presented in different ways, as is illustrated by the prognoses of the Nordic countries. A common feature of staff prognoses is that they are based on the expected changes within the population of elderly people. Here the age distribution, expected remaining years of life after the age of 65 and the prevalence of illness and reduced functional capacity for different age groups are first and foremost relevant. How the general health of elderly people is estimated can have a strong influence on the future need for nursing and therefore on staff recruitment and expenditure.

Those producing the Nordic prognoses agree that the remaining years of life will increase in the future for those over the age of 65. The large and difficult question is what will happen with the general health, and therefore with the need for nursing, during these increased years (see e.g. Brønnum-Hansen 2003). As to the future level of illness, two competing hypotheses are commonly put forward:

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1. The period of illness and reduced functional capacity is increased. This increase in illness is due to more people surviving acute cases of illness but with permanently reduced functional capacity. The increase in average years of life will mainly lead to more years with a reduced functional capacity.
2. A better general health leads to postponed illness. This means that the periods of illness are pushed forward towards a higher age as the average years of life increase. The increase in average years of life leads to more years with a relatively good functional capacity.

Concerning the future demand for nursing and care, it is well known that the period of subjectively experienced ill health and functional incapacity has been postponed as the average number of years of life has increased. A tendency towards postponed illness can thus be assumed. A.o. Norwegian and Swedish studies lend a certain support to this hypothesis (see e.g. Batljan 2003, Hagen et al. 2002, Lagergren & Batljan 2000). According to these studies, producers of prognoses have created an image of enormous, exaggerated future nursing and care expenditure. The trend is clear, however: the percentage of elderly people with severe health problems has decreased over the recent decade in all age groups, especially among the younger elderly people. There is, it is furthermore noted, considerable international experience showing that the very last years before death are the ones connected to severe nursing needs. The increase in demand for nursing is therefore limited, in spite of the large increase in the number of elderly people. The increase in expenditure will not be alarming, and the demand for staff will be reasonably manageable. Hagen et al. (2002) point to another factor limiting the future expenditure on services for the elderly, namely the deinstitutionalization, which is assumed to reduce the cost per user. Their calculations for Norway for the period 2000-2030 indicate that the expenditure on services for the elderly as a percentage of the GDP may not necessarily rise as the number of elderly people increases. Batljan, dealing with both health and social services, shows in a calculation for the period up to 2030 that the expenditure as a percentage of the GDP remains largely unchanged until 2020, following which there will be an increase as those born in the 40s reach a high age.

A recent Swedish report (Board of Health and Welfare, 2003), on the other hand, lends a certain support to the hypothesis of expanded illness. One factor that is considered is that the prevalence of reductions in cognitive capacity increases with age (for those aged 85 years, the prevalence is 20 per cent, while it is more than doubled for those at the age of 95 years).

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In the Swedish report, the observed trends in the risk of illness and the burden of illness are brought together with the fact that the risk of being struck by and dying from life-threatening diseases is likely to decrease while the morbidity for non-fatal diseases among elderly people will increase. With new methods of treatment, more people will survive the acute phase but with a permanent reduction of functional capacity and an increased risk of further illness.

Even changes in the life style of the population will, according to the report, affect the future pattern of morbidity. Examples of such current changes in life style are

- the increase in tobacco consumption among especially women leading to an increased future morbidity,
- the strong increase in the number of overweight people will lead to an increase in the occurrence of diabetes and to reduced mobility and
- the increase in alcohol consumption will lead to an increased exposure to illness and ill health.

People with an immigrant background have on average a worse general health than others. The increasing immigration of refugees will lead to a rising number of immigrants ageing in the Nordic countries. In the slightly longer term, this will also have consequences for the volume, design and staffing of services for the elderly.

When evaluating the future need for recruitment and competence, the central question becomes what the task of municipal nursing and care will be as well as obviously what needs this task is to fulfil. The number of elderly people in the future will be larger, especially as those born in the 40s reach a high age. At the same time tendencies towards both postponed and extended illness are observed for the elderly of the future, while factors such as smoking, obesity and increased alcohol consumption suggest a more complex pattern of morbidity in the ageing population in future. All together, this means that the future demand for care staff with varying skills will be high.

Nursing that was previously administered in hospitals is now increasingly carried out by staff in municipal services for the elderly. New medicines, technical equipment and developed information technology has facilitated this development. This heightens the requirement that the municipal services for the elderly can recruit competent staff to a sufficient degree to be able to fulfil all these needs. This goes not least for staff with higher education.

5. Final Reflections

The Nordic welfare model is a frequently used typology. At an overall level, there are clear common features in the Nordic countries. This also goes for a large and important welfare sector such as services for the elderly. Services for the elderly are part of the municipal responsibility in the Nordic countries, is mainly financed by taxes and is in principle available to all needing citizens independently of their individual economic situation. However, when examining the details, significant differences are found among the countries. Only in Denmark, for example, can help to elderly people be said to be universally available and care free of charge for citizens.

Statistics are an important tool for comparing and developing services for the elderly in the Nordic countries. One problem identified here is that in most of the countries, staff in services for the elderly cannot be separated as a special category within the total municipal nursing and care staff. There seems for the time being to be no solution to this problem in current statistics. Services for the elderly and the disabled are integrated in many Nordic municipalities, and probably rightly so.

To be able to compare services for the elderly in one's own country with that of other countries can be valuable for various reasons. Important trends may be discovered, one may get an image of reasonable staff usage in different types of care, etc. However, the current staff statistics are incongruent in methods of gathering and presentation and are therefore difficult to compare. To be able to do so, more thorough additional investigations are needed.

Every country has developed the statistics production that seems best suited to the national purposes and preconditions. To reach completely uniform Nordic statistics within services for the elderly seems a complicated task, and the question is whether it is even desirable. The cost of changing the statistics production must also be considered.

At an aggregated level, it should not be impossible to procure reasonably comparable data, though. How the statistical basis is technically gathered and what month is used for the recording should have no bearing on comparative studies. However, it should be possible to establish certain common standards for terminology and presentation. A first sensible step would be for the Nordic countries to seek to establish a common terminology for services to the elderly (e.g. a common definition of "home help") and a common occupational nomenclature, where it is clear what tasks and competences are connected to different positions. Currently, it can be very difficult to understand what the terms used in other countries actually stand for.

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What other common standpoints may be aimed at depends on what is desired of the comparisons.

One purpose may be to obtain a comparative picture of the real resources available to the services for the elderly and the development in these resources. The available resources, which are mainly staff, are an expression of expenditure. Fair measures of available resources are the Danish and Norwegian concepts of "full-time equivalents", which has some similarities with the Swedish concept of "annual worker". There should not be insurmountable obstacles to establishing a common definition of these concepts. The point is agreeing on the definitions of absence from work and the conditions for including hourly-paid and substitute employees. In a common concept, even privately employed people working within the framework of public services for the elderly should be included. That is not the case at present in Sweden or in Denmark for those working within the user choice system. The individual-based statistical basis, which has now gained ground, can be used if it is seen as desirable to break down full-time equivalents by sex, age or other qualities in addition to the occupational categories according to the ISCO codes. To attain the complete picture, methods should then be developed to integrate the privately employed into the statistical basis.

A second purpose could be to create a measure for how many people in total are employed in the care services. This measure could for example be related to the total population of working age for a picture of the labour market situation. This may be relevant from a recruitment point of view. One convenient measure could be the number of employees, regardless of type of employment (full-time and part-time, monthly-paid and hourly-paid). Also the privately employed should be included.

If individual-based data are available from private companies (which does not seem likely at present), it should be possible to break down the employees by profession, degree of employment, absence, sex, age, etc.

A third purpose could be to compare different types of staff. This could be for example the ratio of educated and non-educated/trained staff in a given staff category. Such comparisons have been made easier as individual-based statistics have gained ground, though even here reliable data on private employees are (so far) not available.

In the concept of "staff", the relatives who perform care with pay are missing in all countries. This is a group likely to increase in future, both in its share of activities and in terms of expenditure. Gathering current data for these paid relatives should be a target for the producers of Nordic statistics. Workers in volunteer organizations, who can also be expected to gain a larger role in the future services for the elderly, are also not part of the statistics.

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An interesting possibility would be to carry out surveys of the sector at regular intervals with a representative selection of elderly people, similar to the so-called labour force surveys. Such individual-based surveys should give information on different kinds of activities (such as more simple service, care and nursing) as well as who is carrying out these activities. In the providers should then be included, in addition to the professional staff, paid and unpaid relatives and workers in volunteer organizations. Surveys of the elderly of this kind would enable a constant monitoring of the development of services for the elderly in the Nordic countries.

If it may be difficult to create a uniform staff statistics, problems seem even bigger for uniformity in prognosis work. Prognoses can be made for different purposes and with different assumptions and methods. Different authorities and organizations may have an interest in the creation of prognoses. A first realistic step towards greater unity in the Nordic staff statistics for services for the elderly should be to reach some uniformity in the measuring methods. Such an agreement could create the preconditions for staff statistics that could be a good basis for prognoses. Prognoses for a single country may then show different development trends that could be of interest and to some extent comparable to those of the other countries.

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Appendix 1

Information on the NOSOSCO home page

The NOSOSCO home page www.nom-nos.dk contains supplementary information. The present report can be downloaded as a pdf file from the home page.

The supplementary information is as follows:

- The social expenditure and the financing of it, broken down by the individual entries
- Specification of the social expenditure
- The typical cases that are used as basis for the figures in this publication
- Description of the calculation basis for the typical cases
- The tables on income distribution that were used as basis for the figures in this publication
- Description of the calculation basis for the tables on income distribution.

The home page also contains the database *Social and Health Indicators*, where the most important indicators in this publication can be found in an interactive database, in which the results may be shown both as graphic presentations and on maps.

Appendix 2

The Basis for the Adjustment of the Social Benefits

DENMARK: All transfer incomes and a number of other rates are adjusted annually as at 1 January by means of a rate-adjustment percentage, which reflects the development in the annual wages/salaries in the labour market. The annual adjustment by means of the rate-adjustment percentage thus comprises the rates for social pensions, sickness, maternity and unemployment benefits, voluntary early retirement benefits and transition allowances, cash benefits, rehabilitation allowances, child allowances and child supplements as well as housing subsidies. The various amounts that are included in the calculation basis for the various benefits and various kinds of support are also adjusted by means of the rate-adjustment percentage.

The maximum amount of the unemployment benefit is adjusted by means of the rate-adjustment percentage. In respect of people, who receive individual daily cash benefits below the maximum amount, the calculation basis for the individual daily cash benefits (i.e. the previous earned income) will be adjusted by means of the rate-adjustment percentage. Daily cash benefits will then amount to 90 per cent of the new calculation basis. Recipients of individual daily cash benefits below the maximum amount consequently also have their benefits adjusted as per 1 January.

The maximum amount of the sickness and maternity benefits is also adjusted by means of the rate-adjustment percentage. In respect of people, who receive less than the maximum amount, and where the daily cash benefits therefore amounts to 100 per cent of their previous earnings, the benefit shall be adjusted to the extent the wages payable by their employers is typically adjusted in accordance with the general agreement.

The adjustment has been laid down in both an act on a rate-adjustment percentage and in the individual acts on the various cash benefits, etc. The

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rate-adjustment percentage is calculated on the basis of the adjustment of the annual wages/salaries for workers and civil servants in the year that lies two years before the year, which the rate-adjustment percentage concerns, seen in relation to the year three years previously. The rate-adjustment percentage for 2003 was for example fixed on the basis of the adjustment of the annual wages/salaries from 2000 to 2001.

FINLAND: The social benefits are adjusted in the following way:

The basic/minimum pension is adjusted once a year on the basis of the consumer price index of the previous year.

50 per cent of the employment pension to pensioners under 65 years is adjusted on the basis of the development in the wage/salary level, and 50 per cent on the basis of the consumer price index.

20 per cent of the pension to pensioners, who have reached the age of 65, is adjusted on the basis of the wage/salary development and 80 per cent on the basis of the consumer price index.

Sickness benefits and parental daily cash benefits shall not be adjusted at year-end for those who have already been awarded the benefit (if a person for example falls ill in December, the payment for January shall not be changed).

The income ceilings are, however, increased annually on the basis of the APL-index by 50 per cent in relation to the wage/salary development of the previous year and as to 50 per cent on the basis of the consumer price index of the previous year.

The unemployment benefits are increased once a year on the basis of the previous year's consumer price index (in the same way as the basic pension).

The social assistance (income support) is adjusted on the basis of the consumer price index of the previous year.

The child supplement is adjusted following a parliamentary decision.

ICELAND: All social benefits are adjusted annually on the basis of the wage/salary and price developments of the government budget. The benefits in question are: basic pension to old-age and disability/anticipatory pensioners, unemployment benefits, public sickness benefits and maternity benefits to those who are not in gainful employment. Moreover, the income levels concerning basic and disability/anticipatory pensions are adjusted in relation to the wage/salary development at as 1 September each year.

The employment pension is adjusted in relation to the consumer-price index.

NORWAY: The old-age pension and the anticipatory pension payable by the Social Insurance Scheme are calculated on the basis of the basic amount

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of the Social Insurance Scheme. The basic amount is adjusted by the Stortinget (the Norwegian parliament) following discussions between the Government and the pensioners' organisations. Usually, the adjustment is implemented on 1 May. The purpose of the adjustment of the basic amount is to give pensioners, who receive pension from the Social Insurance Scheme, an income development corresponding to the development for people in gainful employment.

Sickness benefits are not adjusted during a period of illness. Consequently, the sickness benefits will not be adjusted if changes occur in a sick person's wage/salary level or in the basic amount during his/her sickness benefit period.

The income basis for the fixation of daily cash benefits in case of unemployment is fixed for the entire period at the transition to unemployment benefits and will not be changed, should changes occur in the general income level in society.

The Ministry of Social Affairs fixed recommended guidelines in 2001 for the social assistance payable. The guidelines will be evaluated and revised at regular intervals according to need, and the latest adjustment took place in 2004. There are no rules governing an annual adjustment of the child allowance. The Parliament fixes the annual rates in connection with the annual budget negotiations. These rates have not been price-adjusted since 1995, where the rate adjustments were a result of other conditions, such as the connection with the tax system and the child allowance being payable until a child turns 18 years (previously 16 years) since 2000.

SWEDEN: The benefits that are supplements to incomes from work or continuations thereof (such as pensions) are more often than not automatically adjusted on the basis of the price development. The price-basic amount is used for the adjustment.

The pension level and the ceiling for the sickness and the parental insurances (sickness and parental benefits) are important examples of benefits that are adjusted in this way.

Benefits that are means-tested are often adjusted in a different way.

In respect of the national standard of the social contribution (the social assistance), the Government makes decisions every year as to an adjustment on the basis of price changes and the calculations of the National Consumer Agency on how much different family types need for maintenance. The system allows for the possibilities of taking into account changed consumer patterns, etc.

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The housing benefits are fixed amounts and will be awarded on the basis of given incomes. They will only be altered following political decisions. The same applies to maintenance allowance advances.

The child supplement is a general allowance that in spite thereof is not adjusted on the basis of the price development but only following a political decision.

Appendix 3

The Nordic Social Policy

Differences and Similarities in the Nordic Welfare systems

The Nordic welfare states may be characterized in the following way:

1. The public welfare policy is rather comprehensive. It covers social security, social services, health, education and training, housing, employment, etc., with the purpose of ensuring the most basic needs.
2. Government involvement has been strong in all fields of policy. The political measures to obtain full employment have been based on macro-economic policy, social policy and an active labour-market policy.
3. The Nordic welfare systems are based on a high degree of universalism, i.e. all citizens are entitled to basic social security and services irrespective of their position in the labour market. The universalism has contributed to a broad public support to the welfare policy.
4. The income safeguarding is based on two elements: In most schemes, there is an income-independent basic insurance and an income-dependent benefit to those, who have been on the labour market. Compared with other industrialized countries, public income transfers play a significant part, for which reason the ratio of the social expenditure of the GDP has been high. Public financing of transfer incomes has been considerable, and consequently the tax level has been high.
5. The Nordic countries may also be characterized as service states, in which the significance of the local democracy is large. Social and health services are financed by way of taxes with no high user payment, and the aim is that all citizens have their needs met. Local authorities (municipalities and counties) provide the services and more often than not they also produce them.

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6. The income distribution is relatively levelled. The income disparities in the Nordic countries as to wage/salary distribution and disposable incomes are limited compared with other countries. There are no large gaps between the various income groups, and consequently poverty and differences in the standard of living have been relatively limited.
7. Equal opportunities is a basic principle in the Nordic welfare states. In the Nordic countries, women have a high participation rate, and in most families there are two providers. Social measures are based on individual rights so that women are not financially dependent on their spouses.³

Although the basic principles of the Nordic welfare countries still apply, user charges are becoming more and more common instead of all welfare services being financed via taxes. The setting up of funds for pension financing also becomes increasingly significant, just as families themselves to a higher extent than before must make use of the social net for part of the social services that were previously provided by the public sector.

The organization of the Nordic Social Policy

DENMARK: There is a three-tiered taxation and administration system in Denmark (government, counties and municipalities).

The overall responsibility for the legislation and the structure of the social policy rests with the Danish parliament and Central Government, whereas the running and the day-to-day responsibility mostly rest with the county and municipal authorities.

The municipal authorities are responsible for the main part of the social cash benefits, such as pensions, sickness benefits, rehabilitation benefits, housing benefits, benefits to refugees and social assistance, and they meet the costs of those benefits in the first instance. The costs are subsequently reimbursed, fully or partly, by Central Government.

Administration and payment of unemployment benefits are, however, carried out by the voluntary unemployment insurance funds.

Local authorities are also responsible for and administer the main part of the social services, such as day care and preventive measures aimed at chil-

³ Points 1-7 from *Nordic Social Policy, Changing Welfare States*. Edited by Mikko Kautto, Matti Heikkilä, Björn Hvinden, Staffan Marklund and Niels Ploug.

dren and young people as well as care and nursing for the elderly and the disabled (home help, home nursing, nursing homes, etc.).

The county authorities bear the day-to-day responsibility for the health services, which includes the running of hospitals and administration of services and benefits from the National Health Insurance Service, including payments to general practitioners and dentists as well as subsidies to medicine. The county authorities also manage other aspects of the social field, such as residential institutions for children and young people and housing for the disabled and socially vulnerable groups.

Both municipal and county authorities receive block grants from Central Government.

Central Government is responsible for and manages a number of labour-market measures, including activation of the insured unemployed, by way of the employment service, which is run by the State.

FINLAND: Also in Finland the Government has the overall responsibility for the legislation. The taxation system is a two-tiered system (government and municipalities) but a three-tiered administrative system (government, regions and municipalities).

The Finnish pension system consists of two parts: an employment pension and national pension. The employment pension is an earnings-related and insurance-based pension while the national pension is awarded to all citizens in the country, who receive only a small employment pension or none at all. The private employment pension schemes are managed by private insurance companies.

The local authorities are responsible for arranging health and social services for all residents in the municipalities. Public health care services are supplemented by private health care services, for which the expenses are partly reimbursed by the public Sickness Insurance Scheme.

There are three kinds of unemployment benefits: an earnings-related allowance a basic allowance and a labour market support. Most employees are covered by the unemployment fund and are entitled to the earnings-related allowance.

ICELAND: There is only a two-tiered taxation and administration system in Iceland (government and municipalities). The Government has the main responsibility for the legislation, including decision-making and responsibility for the social policy. It is also responsible for the majority of the social services, such as hospitals, health centres (primary health care) and home nursing.

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Local authorities are responsible for the home help, institutions and care of children and young people. The local authorities are in cooperation with Central Government responsible for services to the elderly and the disabled.

As regards income transfers (social cash benefits and pensions), Central Government shares part of the responsibility with the labour market parties. Pensions are partly administered by the National Social Security Institution (basic pensions) and partly by an independent Pension Fund (employment pensions) that is administered by the contributors (employees and employers).

The Unemployment Insurance Scheme is administered by Central Government, while the majority of the sickness benefits comes from salaries/wages that are payable during sickness.

The local authorities are responsible for the social assistance.

NORWAY: There is a three-tiered administrative and political system in Norway (government, counties and municipalities) and the same applies to the social sector.

Most of the social income transfers (sickness benefits, rehabilitation benefits and pensions) are administered by Central Government through the National Insurance Scheme.

The National Insurance Scheme is financed by contributions from employers, employees and the State. Employers' contributions depend on the regional zone in which an enterprise is located (five different zones in all).

Local authorities administer and are responsible for social assistance, primary health care, home help and home nursing, institutions for children, young people, the elderly and the disabled.

Central Government has recently taken over the responsibility for the hospital sector, which has left counties with only a minor responsibility.

SWEDEN: There is also a three-tiered administrative system in Sweden (government, counties and municipalities). Central Government is responsible for most of the income transfers, such as sickness benefits, parental benefits, unemployment benefits and the industrial injury insurance that is administered by the National Social Security Office.

The majority of the pensions comes from the pension funds and is administered by the contributors. The county authorities are responsible for the hospitals and most of the primary health sector (health centres). The local authorities are responsible for home help and home nursing, social assistance and institutions and care for children, young people, the elderly and the disabled.

Appendix 4

Further information

Further statistical information on the social security systems in the Nordic countries is obtainable from the individual statistical offices in the respective countries. Further information is obtainable from the following:

DENMARK

Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Phone +45 39 17 39 17
Fax +45 39 17 39 99
Web: www.dst.dk

Directorate General for Employment, Placement and Vocational Training
Holmens Kanal 20
P.O. Box 2150
DK-1061 Copenhagen K
Phone +45 35 28 81 00
Fax +45 35 36 24 11
Web: www.ams.dk

Danish Labour Market Supplementary Pension
Kongens Vænge 8
DK-3400 Hillerød
Phone +45 48 20 48 20
Fax +45 48 20 48 00
Web: www.atp.dk

Directorate of Unemployment Insurance
P.O. Box 1103
Stormgade 10
DK-1009 Copenhagen K
Phone +45 38 10 60 11
Fax +45 38 19 38 90
Web: www.adir.dk

National Board of Health
Islands Brygge 67
DK-2300 Copenhagen K
Phone +45 72 22 74 00
Fax +45 72 22 74 11
Web: www.sst.dk

Danish Immigration Service
Ryesgade 53
DK-2100 Copenhagen Ø
Phone +45 35 36 66 00
Fax +45 35 36 19 16
Web: www.udlst.dk

FURTHER INFORMATION

Ministry of Social Affairs
Holmens Kanal 22
DK-1060 Copenhagen K
Phone +45 33 92 93 00
Fax +45 33 93 25 18
Web: www.sm.dk

Danish National Institute of
Social Research
Herluf Trolles Gade 11
DK-1052 Copenhagen K
Phone +45 33 48 08 00
Fax +45 33 48 08 33
Web: www.sfi.dk

Social Appeals Board
Amaliegade 25
P.O. Boks 3042
DK-1021 Copenhagen K
Phone +45 33 41 12 00
Fax + 45 33 41 14 00
Web: www.dsa.dk

Ministry of Employment
Ved Stranden 8
DK-1061 Copenhagen K
Phone +45 33 92 59 00
Fax + 45 33 12 13 78
Web: www.bm.dk

FINLAND

Social Insurance Institution
P.O. Box 450
FIN-00101 Helsinki
Phone +358 20 43411
Fax +358 20 4341 530
Web: www.kela.fi

Ministry of Social Affairs
and Health
P.O. Box 33
FIN-00023 Government
Phone +358 9 160 01
Fax +358 9 1607 38 24
Web: www.stm.fi

National Research and Development
Centre for Welfare and Health
(STAKES)
P.O. Box 220
FIN-00531 Helsinki
Tel +358 9 39671
Fax +358 9 3967 2324
Web: www.stakes.fi

Central Pension Security Institute
FIN-00065 Central Pension Security
Institute
Phone +358 10 75 11
Fax +358 9 1481 172
Web: www.etk.fi

Statistics Finland
FIN-00022 Statistikcentralen
Phone +358 9 17341
Fax +358 9 1734 3522
Web: www.stat.fi

FURTHER INFORMATION

ICELAND

Statistics Iceland
Borgartun 21a
IS-150 Reykjavík
Phone +354 528 1060
Fax +354 528 1199
Web: www.statice.is

National Association of
Pension Funds
Suðurlandsbraut 30
IS-108 Reykjavík
Phone +354 581 4977
Fax +354 581 4332
Web: www.ll.is

State Social Security Institute
Laugavegi 114
IS-150 Reykjavík
Phone +354 560 4400
Fax +354 562 4535
Web: www.tr.is

NORWAY

Statistics Norway
Kongens gate 6
P.O. Box 8131 Dep.
N-0033 Oslo
Phone +47 21 09 00 00
Fax +47 21 09 49 88
Web: www.ssb.no

National Insurance Administration
P.O. Box 5200 Nydalen
N-0426 Oslo
Phone +47 22 92 70 00
Fax +47 22 92 70 70
Web: www.trygdeetaten.no

Directorate of Labor
Hafnarhúsinu Tryggvagötu
IS-150 Reykjavík
Phone +354 511 2500
Fax +354 511 2520
Web: www.vinnumalastofnun.is

Ministry of Health and Social Security
Laugavegi 116
IS-108 Reykjavík
Phone +354 545 8700
Fax +354 551 9165
Web: www.stjr.is/htr

Ministry of Social Affairs
P.O. Box 8011 Dep.
N-0030 Oslo
Phone +47 22 24 90 90
Fax +47 22 24 95 75
Web: www.dep.no/shd

Norwegian Board of Health
Calmeyers gate 1
P.O. Box 8128 Dep.
N-0032 Oslo
Phone +47 22 34 90 90
Fax +47 22 34 95 90
Web: www.helsetilsynet.no

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Directorate of Labour
C.J. Hambros plass 2d
P.O. Box 8127 Dep.
N-0032 Oslo
Phone +47 23 35 24 00
Fax +47 23 35 27 50
Web: www.aetat.no

National Knowledge Centre
for Health Services
Universitetsgata 2
P.O. Box 7004, St. Olavs plass
N-0130 Oslo
Phone +47 23 25 50 00
Fax +47 23 25 50 10
Web: www.kunnskapssenteret.no

SWEDEN

Ministry of Health and
Social Affairs
103 33 Stockholm
Phone + 46 8 405 10 00
Fax + 46 8 723 11 91
Web: www.regeringen.se

National Board of
Health and Welfare
S-106 30 Stockholm
Phone +46 8 55 55 30 00
Fax +46 8 55 55 32 52
Web: www.sos.se

National Board of Occupational Sa-
fety and Health
S-171 84 Solna
Phone +46 8 730 90 00
Fax +46 8 730 19 67
Web: www.arbsky.se

Statistics Sweden
P.O. Box 24300
S-104 51 Stockholm
Phone +46 8 506 940 00
Fax +46 8 661 52 61
Web: www.scb.se

National Labour Market Board
S-113 99 Stockholm
Phone +46 8 5860 60 00
Fax +46 8 5860 64 99
Web: www.amv.se/ams

National Social Insurance Board
S-103 51 Stockholm
Phone +46 8 786 96 91
Fax +46 8 411 27 89
Web: www.rfv.se

Swedish Immigration Board
P.O. Box 6113
S-601 70 Norrköping
Phone +46 11 15 60 00
Fax +46 11 10 81 55
Web: www.migrationsverket.se

Swedish Integration Board
P.O. Box 633
S-601 14 Norrköping
Phone +46 11 36 13 00
Fax +46 11 36 13 01
Web: www.integrationsverket.se

FURTHER INFORMATION

OTHER

OECD
Unité des Services à la Clientèle
Service des Publications
2, rue André-Pascal
F-75775 Paris Cedex 16
France
Web: www.oecd.org

EUROSTAT
Office for Official Publications
of the European Communities
L-2985 Luxembourg
Luxembourg
Web: Europa.eu.int/comm/eurostat

World Health Organization
Regional Office for Europe
Scherfigsvej 8
DK-2100 Copenhagen Ø
Denmark
Web: www.who.dk

Nordic Medico-Statistical Commit-
tee (NOMESCO)
Islands Brygge 67
DK-2300 Copenhagen S
Phone: +45 72 22 76 25
Fax: +45 32 95 54 70
Web: www.nom-nos.dk

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