

Social Protection in the Nordic Countries 1998

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Scope, expenditure and financing

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You can navigate through the statistics by clicking on the 'Statistics' menu. Data may also be obtained from NOSOSCO's Secretariat (please refer to the address at the top on this page).

Preface

The Nordic Social-Statistical Committee (NOSOSCO) is a permanent Committee under the Nordic Council of Ministers and the Nordic Committee on Social Policy. Set up to co-ordinate the Nordic countries' social statistics, it analyzes and comparatively describes the scope and contents of social welfare measures.

The Committee is composed of three representatives from each country as well as a number of substitutes. It is chaired for a three-year period by the countries in turn, with Denmark having the chairmanship for the period 1999-2001.

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

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

In the present report, a theme section concerning differences and similarities between the social expenditure on the elderly and the disabled.

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

PREFACE

The Nordic Social-Statistical Committee is currently composed of the following:

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Johannes Nielsen, Head of NOSOSCO's Secretariat, is the editor of the present report and acted as secretary to the editorial group.

Nordic Social-Statistical Committee, 2000.

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Symbols Used in the Tables:

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Nil (nothing to report)	–

Chapter 1

Changes in Nordic Social Policies since 1997

DENMARK: Following a period with relatively high growth, the economic development has been rather slow in recent years. While the annual average increase of the GDP was 3.3 per cent from 1994 to 1998, the growth decreased to 1.6 per cent in 1999 and is expected to be approximately 2 per cent in 2000 and 2001. The low economic growth is due to the tighter fiscal policy that has been implemented in order to curb growth in both the public and private demand with a view to encounter the trend towards problems in the economy balance.

The growth in production and employment resulted in a marked decrease in the unemployment rate from 10.1 per cent in 1993 to 4.5 per cent in 1999. As a result of the implemented structural reforms in the labour market, the decrease in the unemployment rate has not resulted in any considerable price and wage development. The wage and inflation pressure has, however, been increasing during recent years. Since 1997, there has also been an increasing surplus in the total public funds. The deficit in the balance of payments in 1998 has been turned to a surplus in 1999.

The latest labour market reform results in the unemployment benefit recipients' right to be offered and obligation to accept activation as from 1999 gradually being brought forward to activation after one year of unemployment. The total unemployment benefit period will also be further reduced, from five to four years, and all young recipients of unemployment benefit under the age of 25 years have become entitled and obliged to accept activation after an unemployment period of six months.

In 1999, a reform of the withdrawal system was implemented with a view to increasing job availability by way of a slower and more gradual withdrawal from the labour market. A number of changes were implemented in the voluntary early retirement benefit scheme which, on one hand, maintain the possibility of retiring early, i.e. from the age of 60 years, but, on the

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other hand, make it more financially favourable to continue working and postpone the transfer to voluntary early retirement benefit. At the same time, it has become more advantageous to combine work and voluntary early retirement benefit and old age pension, respectively. Furthermore, the pensionable age will be lowered from 67 years to 65 years with effect from 2004.

The number of new awards of anticipatory pension decreased by about one third from 1998 to 1999. The marked drop should be seen in connection with the new legislation which entered into force on 1 July 1998. The new rules lay down that all possibilities as to rehabilitation, activation, treatment, etc., must be exhausted before an application for anticipatory pension can be made. The preventive effort has been enhanced by an introduction of wage-subsidized flexi jobs for people with a reduced ability to work and an improved follow-up of incidents of long payment periods of sickness benefit with a view to uphold a person's connection with his work place, as well as an earlier initiation of retraining and rehabilitation, etc. Furthermore, the state reimbursement of the municipalities' expenditure on new anticipatory pensioners has been reduced from 50 to 35 per cent from 1999, just as the state co-financing of the expenditure on the sickness benefit payable after 52 weeks was discontinued as from the middle of 1999.

In connection with the Budget for 2000, the Government entered into an agreement about the "spacious labour market" as well as about a reform of the anticipatory pension scheme. A new anticipatory pension scheme will be added to an activation and rehabilitation system, where the ability to work will actually be tested. A prerequisite for a reform of the anticipatory pension scheme is a spacious labour market with increased possibilities of employment for people with reduced working abilities.

The basic principles agreed upon for a reform of the anticipatory pension scheme include a reduction of the number of benefit levels from the existing four to one or two, a simplification of the benefit structure through taxation of pensions and discontinuation of certain special benefits, including benefits in the housing benefit system, introduction of the work ability criteria, as well as a transfer of the disability compensating benefits from the Pension Act to the Social Service Act. According to the agreement, the reform will cover new anticipatory pensioners and is expected to enter into force in 2003.

In spite of the increasing employment rate and the marked decrease in the unemployment rate, the number of long-term recipients of cash benefit has by and large remained the same during recent years. Immigrants and

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refugees form an increasing part of the long-term recipients of cash benefit. The current low unemployment rate and high employment rate increase the possibilities of keeping and integrating more people in the labour market. The demographic development, where large numbers of elderly leave the labour market concurrently with small numbers of youth entering it, moreover increases the need and the possibilities of making the labour market more spacious.

In co-operation with local authorities the Government has launched a number of initiatives with a view to maintaining and integrating weaker groups in the labour market, including people with reduced working abilities. The effort must be directed more towards the labour market and be more business oriented, for example through enhancement of the business rehabilitation and increased municipal services to and cooperation with private enterprises. Besides, the effort should be more differentiated and adapted to people's skills and resources. As the majority of the long-term recipients of cash benefit has completed only basic schooling, training activities must be enhanced by means of improved Danish courses for refugees and immigrants as well as of a reform of the education systems for adults and further education, putting priority to people with few years of schooling and training.

The enhancements of the day-care offers of recent years have resulted in a reduction in the number of children on waiting lists to a little less than 9,000 at the beginning of 1999. Part of the efforts to abolish the waiting lists to day-care facilities has been for municipalities, who offer a day-care guarantee for children of pre-school age, to increase parents' payments by up to one percentage point a year for the period 2000-2002, however not exceeding 33 per cent. Parents holding a free place are exempt from the increased payment.

With a view to creating a balance between public and private maintenance in connection with divorce or dissolution of cohabitation, there has been an increase as from 2000 of the child maintenance allowance by DKK 1,224 a year and a corresponding reduction of the ordinary child allowance to for instance single providers.

In March 2000, a new medicine subsidy system based on need was introduced, where the subsidy amount depends on a patient's consumption of reimbursable medicine. The many consumers who have a relatively moderate consumption of medicine will experience an increase in user payments, whereas the few people who have a relatively large consumption of medicine as a rule will face a reduction in their medicine costs.

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Activities in the hospital sector have increased considerably during recent years with a view to bringing down waiting periods for examinations and treatment. As from 2000, more funds have been allocated to an increased effort within the cancer area in order to reduce waiting periods and improve the treatment quality.

The Government has, in co-operation with local and county authorities, continued its efforts to improve conditions for psychiatric patients. The enhancement of the district psychiatry scheme and the social housing offers has not proved sufficient to closing down psychiatric wards. In the period 1996-1999, the district psychiatry scheme has been improved, new collective housing units and residential care institutions for psychiatric patients have been established, including more single rooms in psychiatric wards. Funds have been allocated to a continued improvement of those areas during the period 2000-2002.

FINLAND: The economic outlook for Finland is favourable. The gross national product has continued to increase for six years, and the forecast for 2000 is a growth of almost 5 per cent. In 1999, the public sector showed a surplus for the third year in succession, whereas the state and municipal economies continued to show a slight deficit. Following the years of recession the state is encumbered by huge debts and interests payable on them. The state economy is forecast to start showing a surplus in 2000.

The strong economic growth has a favourable impact on the employment situation, and the unemployment rate is estimated to drop to about 9 per cent in 2000. In consequence of this favourable development the unemployment expenditure is further decreasing. The expenditure on pensions is increasing with the ageing of the population, and so does health spending. The total growth of social spending is, however, still slower than that of the national economy. The ratio of Finland's social spending to GDP will decline to about 26 per cent in 2000, compared with almost 35 per cent in 1993.

The demand for labour has increased, which has improved in particular the employment situation of young and ageing people. Job opportunities for ageing workers have been improved above all by the reduced number of dismissals and the use of partial pensions. Employment has also been boosted by so-called combined support and other active and more obliging employment policy. Also young people with disabilities have been employed to a larger extent than in the past. Unemployment is increasingly of a structural character. Simultaneously, there is already a lack of labour force in some areas.

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A National Programme for Ageing Workers (1998 - 2002) has been initiated to promote the continued employment of ageing employees. The chief goals of the programme are to maintain working capacity, to have an impact on attitudes and atmosphere in workplaces and to revise legislation so as to be more favourable for the participation in work of ageing employees. Some changes have been made in pensions in order to promote coping with work and postpone retirement with effect from the outset of 2000. Among others, the age limit for entitlement to partial pension remains at 56 years to the end of 2002 and that for anticipatory pension is raised from 58 to 60 years. Furthermore, unemployed persons aged over 55 years are now better able to accept short-time jobs without risking a weaker future pension cover. The financing of unemployment and disability pensions has been changed so as to make it more lucrative for employers to employ older workers.

Fixed-term and shorter and shorter jobs have become increasingly general in recent years. Consequently, from the beginning of 1998 all employment periods under one month and those not exceeding the earlier minimum earnings limits have been covered by employment pension legislation. Thus the pension accrues at present on the basis of almost all paid work.

The Social Assistance Act, that has been in force since 1 March 1998, incorporates the grounds for granting social assistance, which were before included in several laws and regulations. At the same time, its basic part for children was reduced, part of housing costs was included in the costs covered by the basic part, and it was made possible to reduce the basic part by 40 per cent if the person concerned refuses an offered job.

A system for evening out the substantial child welfare expenses was introduced in March 1999. It is designed to level out the problems caused by high child welfare costs in particular for small municipalities. The municipalities invest in the system a payment determined on the basis of the number of inhabitants and, in addition, part of the Government grant to municipalities is directed to it. A municipality can receive compensation from the system if its expenditure on child welfare measures aimed at a family exceeds FIM 150,000 a year.

Client charges for health care services have been changed. In November 1998 a specific charge for day surgery was introduced. Compared with the earlier charge for a visit to the out-patient department of a hospital this charge was almost doubled, up to FIM 250. At the beginning of 2000 the fee further rose to FIM 400. At the same time, almost all charges for public health care were raised. Furthermore, an annual ceiling was agreed on client

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charges in health care, which is FIM 3,500 during 12 months. The charges included in the annual ceiling comprise medical services within out-patient care, visits to a hospital out-patient department, day surgery, and short-time institutional care both in health care and social welfare institutions. After exceeding the annual ceiling, a client receives out-patient services free of charge. It is however possible to levy FIM 70 per day for short-term care in an in-patient department. It is estimated that the persons exceeding the annual ceiling number 90,000 – 100,000 a year. As regards medicines, the patient's own deductible on prescription drugs (FIM 3,283 in 1999) has been applied since 1986.

As from August 2001, local authorities will be obliged to provide all 6 year-olds with pre-school teaching free of charge, or to offer teaching the year before the actual schooling begins. Pre-school teaching may take place both within the school sector and the social sector. Local authorities are entitled on a voluntary basis to commence the new pre-school teaching along the lines of the new rules as early as from August 2000.

ICELAND: The economic development in Iceland has been very favourable during recent years, with a growth in the GDP of 5 per cent per year for the period 1996-1999, or a little above the average calculated for the OECD countries. Since 1997, the Government has seen a surplus on its budget each year. This growth is expected to decrease slightly in the years to come, and the forecast for 2000 indicates that the GDP will increase by about 4 per cent.

According to the Economic Institute, inflation was between 1.7 per cent and 1.3 per cent in 1997 and 1998, but 3.9 per cent in 1999, whereas an inflation of 5-6 per cent is anticipated in 2000.

The purchasing power has been increasing for several years, and in 1999 this increase was 5 per cent. Estimates for 2000 indicate a decrease, so that an increase of only 1.5 per cent is expected. Investments are increasing steadily and this trend seems to continue. There are indications of a positive development in government finances. Financial problems may arise, however, due to a deficit in the balance of payments with other countries and to the increasing inflation.

The unemployment rate is still going down and in 1999 it was 1.9 per cent of the labour force, which corresponds to a decrease from 3,600 people in 1998 to 3,100 people in 1999. This decrease is expected to continue. There is, however, still differences in the unemployment rates concerning men and women, respectively, and it is increasing from year to year. Un-

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employment among young people is also considerably higher than the average unemployment rate. In return, the unemployment situation in the Reykjavik area is the same as that in the rest of the country, while it was considerably higher during the 1990s.

In the social insurance field, the development concerning the elderly and the disabled has been relatively favourable for the past 2-3 years. Pensions and other supplements thus increased slightly more than the wage average in the general labour market. This is confirmed by the Government allocations to pensions and other services and benefits increasing by 8.8 per cent from 1998 to 1999. During that period, the number of pensioners increased by 1.8 per cent, which was a considerable deviation from recent years where the increase was 3 per cent per year. On the other hand, the number of disabled people receiving financial support increased from 2.9 per cent to 4.3 per cent. This must be seen in relation to the measures initiated to reduce taxation of pensions as well as more in-depth methods to evaluating the disability degree of an applicant.

Welfare and the future of the welfare state have been a recurring topic of the social debate of late. In 1999, the Social Security Directorate published a report on the state of affairs in Iceland in which a comparison was made between Iceland and the other Nordic countries. One of the main conclusions was that the expenditure on welfare is considerably lower in Iceland than in the other Nordic countries. This is partly explained by a different age structure in that country, the labour market situation as well as other factors. The most interesting aspect of the report is the description of how financially strong pension funds emerge to assume a large part of the pension expenditure in years to come. This makes it possible for the state to concentrate its efforts on those groups of elderly and disabled people who are worst off. As from spring 1999, patients pay a maximum of ISK 5,000 for visits to specialists, the amount being independent of the nature of the consultation. Expenditure on children is only one third of the amount payable before the reform. Besides the social insurance supplements towards dental care for children, dental care for disabled people and pensioners have increased by 13 per cent.

In connection with the year of the elderly in 1999, focus was to an increasing degree on the elderly and their social situation. Based on a survey on the circumstances of the elderly, as well as on social trends, the authorities are working to identify sectors concerning the elderly where enhanced efforts are needed. The Minister for Health has for example set up a committee that is to draw up a plan for the realization of specific measures

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within the health and social insurance areas in order to improve the situation for the elderly during years to come.

Measures to improve the situation for children suffering from long-term illnesses have long had high priority. A committee with representatives from four ministries have worked out a plan to ensure public support to those children and their parents. Among those measures are improved training of specialist staff, enhancement of the psychiatric treatment of children and youth, as well as development of parameters for the service provided to children suffering from long-term illnesses.

For several years, mothers and fathers have to some extent been offered to share the leave period of six months granted in connection with pregnancy and childbirth. In 1998, a new law entered into force entitling new fathers to take leave from work with some compensation for an extra two weeks within the first eighteen weeks of their children's birth. Parental leave will be extended to nine months over a period of three years: to seven months on 1 January 2001, to eight months on 1 January 2002 and to nine months on 1 January 2003; this prolongation will be to the benefit of fathers. One of the arguments for this is that a child is entitled to its father, like its mother, taking responsibility and participating in its upbringing right from the start.

For many years, the prices of pharmaceuticals and charges payable by patients have increased. Recently, patients' situation has been somewhat improved by means of the introduction of possibilities of increasing competition in the market for medicine. Patients' payment for pharmaceutical products amounted thus in 1999 to an average of only 82 per cent of the expenditure for 1997.

NORWAY: 1999 was a year of stagnation for the Norwegian economy. After six consecutive years of recovery, the economy grew by only 0.8 per cent from 1998 to 1999. The development during 1999 underlines the previous impression of the Norwegian financial recovery ending in 1998, although growth has been higher in the second half year of 1999 than in the first.

The employment increase in the labour market has stopped almost completely after the employment rate increased by about 50,000 people per year since 1993. The substantial mobilization of the work force was a precondition for the long-term growth up to 1999. By the beginning of 2000, 71 per cent of the population aged 16-74 years were gainfully employed. That is the highest employment rate registered in Norway for the past 50 years, and the unemployment rate is still low.

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Household consumption rendered a substantially lower growth impulse to the total demand in 1999 as compared with previous years. The disposable real income of households increased by 2.9 per cent while consumption only increased by 2.1 per cent. Thus personal saving increased for the third year running.

For the past 10 years, consumption prices increased on average by 2.4 per cent per year. In 1999, the consumer price index increased by 2.3 per cent which was the same as the previous year. An increase of 2.4 per cent is estimated for 2000.

Help to self-help is an important aim of the Norwegian welfare system, based on a wish for the individual to be able to provide for himself for as long as possible. The best way to do so is by being gainfully employed. By means of employment-related activities, endeavours are made to get more people into the labour market and to keep more people in general employment rather than for them to become permanent benefit recipients.

The employment-related activities are still a central factor in the Norwegian welfare policy and it is one of the five main strategies emphasized by the government in its *Stortingsmeldingen om forfordeling av inntekter og leviekår i Norge (St. meld. nr. 50 (1998-99))* (Report on the Unfair Distribution of Income and Living Conditions in Norway) in order to reduce differences in income and living conditions. In the report several special initiatives were suggested with the aim of preventing poverty and marginalization of especially vulnerable groups.

As part of the effort of getting groups of disabled people and people with learning disabilities into the labour market, suggestions have been made to introduce more permanent wage supplements on a trial basis to people with variable abilities to work. Besides, it will now be possible for single providers to receive vocational training. Efforts are also made to improve housing policies and housing benefits to families with children in adverse circumstances, single recipients of social benefits and young disabled people in larger towns. Furthermore, it has been suggested to increase the supplements to local authorities for them to construct houses for people living under adverse circumstances. A better social security system is planned with improved benefits to families with children who receive social security benefits as income substitution as well as a support scheme for pensioners who have only lived in Norway for a short while. Finally, the Government wishes to develop more goal-oriented and better coordinated health and social services in order to reach those with the largest needs. A fairer taxation is another goal. Some of the measures to obtain a better distribution of income

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and to improve living conditions are expected to be launched in connection with the Budget for 2001. In March 2000, Norway got a new Government, and it is expected that the Government will follow up on several of the suggestions presented in the report from the Parliament.

On 1 August 1998, cash benefits for one-year-olds became payable. The scheme was extended to comprise two-year-olds as from 1 January 1999. The benefit is a cash benefit payable to parents with children between one and three years, who do not or only partly make use of a place in a state-subsidized kindergarten. The full amount is NOK 3,000 per month, and this amount will be reduced subject to the time spent by a child in a kindergarten.

The benefit scheme for single providers has been restructured as from 1 January 1998 to improve the financial situation of single providers with small children and to encourage them to provide for themselves after a transition period. The restructure results in higher benefits for a shorter period of time.

Absence due to illness has increased every year since 1994. In 1998 and 1999, absence due to illness was more extensive than it was in 1988 which so far is the year showing the highest absence due to illness. On 1 April 1998, the employer period was extended from 14 to 16 calendar days and from 1 January 1999, the minimum income basis for entitlement to sickness benefit increased from half of the basic amount of the Social Security Scheme to one and a quarter of its basic amount. This implies that a person must have an annual income from work of at least NOK 58,689 in order to be entitled to sickness benefit from the Social Security Scheme. Employees who have a lower income are still entitled to sickness benefit from their employers for the first 16 calendar days. As from 1 January 2000, the minimum income basis for entitlement to sickness benefit is once again half of the basic amount.

Since 1997, the social authorities have bought operations and examinations of people who are on sick leave in order for them to return to work faster. In 1999, 4,500 people received treatment through this scheme, and on average people who had received treatment returned to work 51 days earlier than they would otherwise have done.

The number of invalidity pensioners continues to increase, and in 1999, invalidity pensioners made up 9.6 per cent of the population aged 16-66 years, as against 9.1 per cent the year before.

The Government has set up a public committee to identify the reason for this increase in the absence due to illness and the number of anticipatory

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pensioners, including the societal reasons for this as well as possible initiatives to curb the increase. The committee will submit its report in September 2000.

On 1 May 1998, the minimum pension amount increased by NOK 1,000 per month. The minimum pension now amounts to NOK 84,204 per year.

In the years to come, the number of people over 80 years will increase considerably. Central Government contributes to the increase in the number of places in care institutions and residential care as well as earmarked funds to the nursing and care sector. These measures are aimed at enabling local authorities to extend offers to the elderly concurrently with the number of elderly increasing as well as at contributing to improving the quality of existing options.

The Norwegian Parliament has decided to extend and improve options for the period 1999-2006 for people with mental disorders. This plan shall result in a considerable improvement of options for people with mental disorders as well as in user-oriented measures both in counties and local areas. Prevention, early assistance and rehabilitation are in focus.

SWEDEN: The trend in the Swedish economy continues to be favourable. The employment rate increases and the unemployment rate is estimated to fall to 5.4 per cent during 2000. During 2000 and 2001 the economic growth is estimated to reach at least 3 per cent. Prices continue to be stable, and Sweden currently has one of the lowest inflation rates in Europe. The balance of payments also saw a positive development. The export increase mainly takes place within the telecommunications and pharmaceutical products industries. As a result of the positive balance of payments, the large Swedish foreign debt will be reduced, and interest rates have as a result of the increased confidence in the financial market been kept at a historically very low level. Also the value of the Krone has increased although Sweden does not participate in the European Monetary Union.

The aim of the employment policy is to establish full employment again. Since autumn 1997, the unemployment rate has been reduced by 3 percentage points. The highest growth in the employment rate took place in the private service sector, but an increase was also seen in the municipal sector due to increased resources. Altogether, the employment rate is expected to increase by 4.3 per cent from 1998 to 2000, corresponding to 170,000 people. The actual employment rate for the population aged 20-54 years is estimated to amount to approximately 77 per cent in 2000.

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Public finances have shown an increasing surplus since 1998 which has consolidated the public sector's gross debt, the so-called Maastricht debt, which will be under 60 per cent of the GDP in 2000. Adjustments will be made to the system by means of a cost ceiling aimed at controlling the development in public expenditure. For 2000, a surplus of the public finances of 1.5 per cent of the GDP is anticipated. It will increase to 2 per cent in 2001 and the following years.

Due to the improved financial situation, more resources could be allocated to the municipal sector, both as larger state subsidies and as higher tax revenues. The nursing, school and care sectors have been given high priority. Those sectors will be granted an increase of SEK 27 billion in 2001 as compared with 1997. In spite of the fact that the development in the municipal sector as a whole is good, there are still problems in some municipalities and counties. Many municipalities still have financial problems due to relocation, imbalance in the age structure and too little growth. Compensation is made through the municipal compensation system for the structural problems that cannot be influenced.

An analysis of the distribution effect of public consumption shows that it contributes highly to a more uniform consumption in the society. More public resources are used for those with a low financial standard than for the more well-to-do, and women receive more support than men. The differences between the various groups in the use of child-care facilities have been reduced during the 1990s.

Child-care facilities are, however, still used to a higher extent by well-educated parents. Payments for child care depending on income and time create problems by creating marginal effects for parents who pass from unemployment to work, or who increase their working hours. For this reason, the introduction of a maximum ceiling for payment for child care has been planned.

Life expectancy continues to increase and several indicators show an improvement in public health. The social differences in poor health and mortality do not decrease, however, and there is a trend towards an increasing number of people suffering from mental disorders. The income distribution has barely changed during the 1990s. The gap between those having a low or a high level of education has been reduced markedly, and - like Finland and Denmark - Sweden has a more even distribution of income and level of education than almost all other countries.

Further steps have been taken to enhance patient influence and participation in prevention and treatment of illness through legal changes. By

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means of higher subsidies from the state, local and county authorities have become able to decrease waiting periods within the health sector, as well as to solve the current problems in the health sector for the elderly. Initiatives have been made to improve the co-operation between the county health-care sector and the municipal schemes for care for the elderly when it comes to medical assistance. By introducing a new model for county subsidies, the cost development control concerning pharmaceutical products is expected to improve. As from 2001, the county authorities will resume responsibility for medical expenses.

Only few changes will take place within the social insurance sector in 2000. The child allowance will be increased by SEK 100 to SEK 850 per month. The price basic amount will be increased to SEK 36,000. Pension payments, other benefits and the benefit ceiling will be adjusted accordingly. The pension supplement payable to elderly, anticipatory pensioners and survivors was already increased in June 1999; the increase was granted as a compensation for the increase in the maximum user charge for pharmaceuticals. In 1999, it was decided to introduce a new Social Security Act. This implies that the social insurance scheme be divided into two parts: a housing-based insurance consisting of a guaranteed amount and a supplement, and a work-based insurance to cover loss of income. The new rules will enter into force on 1 January 2001.

Within the anticipatory pension system it will as from 2000 be possible to become a dormant pensioner. During a period of 12 calendar months, including the three months' trial period, an insured person may try to take on work without losing his pension rights.

The expenditure on sickness insurance has increased for the third consecutive year. Due to the steep expenditure increase, an examination has been initiated in order to find an explanation to the reason for this increase. An examination must also provide proposals for measures to reduce the continued expenditure increase. An examination concerning rehabilitation will be made during 2000. Furthermore, an examination of a number of family allowances and marginal effects of the benefits has been initiated.

Chapter 2

Method

The present report follows the structure and definitions of 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 has 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 together 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.

Further on the ESSPROS Classification

The main features of ESSPROS are the following: the overall classification is made according to *schemes* to illustrate whether these schemes cover all of a population or only part of it. Furthermore, it must be evident who the decision makers are, whether or not the schemes are subject to payment of contributions, and whether the schemes are voluntary or statutory. EUROSTAT has not previously published figures according to *schemes*, but merely lists of schemes for each country defined by the individual countries within the framework of ESSPROS.

ESSPROS classifies schemes that cover an entire population, irrespective of affiliation with the labour market (*universal schemes*), benefit schemes that cover only the labour force (*general schemes*), and special benefit schemes

¹ESSPROS = European System of Integrated Social Protection Statistics.

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(*special schemes*) that cover part of a population. The countries define which national schemes fall under the individual *schemes* within the framework of ESSPROS. A distinction is made between *basic schemes* which cover the majority of a population, and *supplementary schemes* which are benefits provided in addition to the basic amounts, etc., or which extend the coverage of a *basic scheme*.

EUROSTAT gathers tables (data) for each function, including subclassifications, which depend on each item of expenditure being classified according to a *scheme*, in addition to two main tables covering revenue and expenditure in connection with social benefits and services.

Changes in Relation to the Previous Report

Compared with the previous report, a number of corrections have been made in the social expenditure. In the previous report, Denmark and to some extent Sweden shifted expenditure on home nursing from expenditure on the elderly and the disabled to illness. Norway has done the same in the present report and has revised the 1997 expenditure accordingly. Iceland has included the calculated expenditure on wages payable in relation to childbirth and adoption; that entry represents the highest increase in the social expenditure on families and children.

As quite a few reforms have taken place in the pension systems in some of the Nordic countries, a revision has been made of the sections on pensions in Chapter 7.

Definitions

Both in the previous versions of *Social Protection in the Nordic Countries* and in ESSPROS, statistics have been based on the notion that they should primarily 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 occurrences. 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.

Social Benefits

The definition of a social benefit is a benefit that is of real advantage to the recipient. This means that the recipient does not pay the market price or the full running costs for services. That the recipient, by being affiliated with an insurance scheme, has paid contributions – and thereby in reality has financed, fully or partly, what he receives – is of no significance in this context.

The benefits 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, the expenditure and financing will, however, have to be given as calculated amounts. In other cases, the required specification cannot be made on the basis of the national accountancy systems, and consequently the figures 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 consequently not the total running costs, but the net amount for the body in charge of the service in question.

Financing

Incoming funds or contributions to the financing of 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, these funds also cover current payments.

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

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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 benefit 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 the employees' salaries.

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 ESSPROS' method of calculation.

Specifications

Specification of the individual expenditure entries can be downloaded from NOSOSCO's homepage (cf. the colophon).

Administration Costs

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

Typical Cases

To illustrate the compensation payable in connection with various social occurrences, 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.

A detailed description of the typical cases can be found in Appendix 2 of the present report. The calculations concerning the typical cases can be downloaded from NOSOSCO's home page (cf. the colophon).

Calculation of Distribution of Income

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 five 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, however, not apply to Iceland where children over the age of 15 living at home are considered as independent households. The data are (with the exception of Iceland) based on representative samples of the populations in each of the countries. Based on these population segments, calculations have been made of the income distribution. Data have been retrieved in respect of each individual population segment from administrative records and special surveys on income, tax, social benefits and services, family types, etc.

The basis for the calculations for the tables and figures can be seen in Appendix 1.

The spreadsheets, on which the tables and figures in the present report are based, concerning distribution of income can be downloaded from NOSOCO's home page (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 occurrences.

The PPP calculations used in the present report are in PPP-Euro. The following estimates have been used for the individual countries: Denmark 9.44; Finland 6.955; Iceland 94.24; Norway 12.36 and Sweden 10.85. In the calculations in the tables of income distribution, which are based on 1997 data, estimates for 1997 have been used.

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Ways of Comparing the Nordic Countries with Europe

In the other Western European countries (the EU Member States), a substantial expansion of the social protection systems has generally taken place during the past decades. 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 statistical office of the EU.

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

Miscellaneous

All the Nordic countries are now using the SNA-93/ESA-95 systems when calculating the gross domestic product (the GDP). This shift has resulted in an increase in the GDP - highest in Norway by approximately 10 per cent and lowest in Finland by approximately 2 per cent.

In connection with this shift, the countries have adjusted their GDP for the previous years.

Chapter 3

Population and Income Distribution

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 children and young people, number of unemployed people and their age groups, number of old-age pensioners, as well as the need for care and nursing of the oldest age groups.

After stagnating for several years, the birth rate has again increased during recent years, but in some of the countries, the birth rates have, however, again started to fall. The increasing number of infants has, to varying degrees, led to an increase in the need for minding facilities.

At the same time, the number of people in the oldest age groups has increased and consequently also the need for care and nursing. There are, however, marked differences between the 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 do not show the same increase in population in respect of the youngest age groups, whereas the trend towards there being more people in the oldest age groups, in particular as far as women are concerned, is also found within the EU countries.

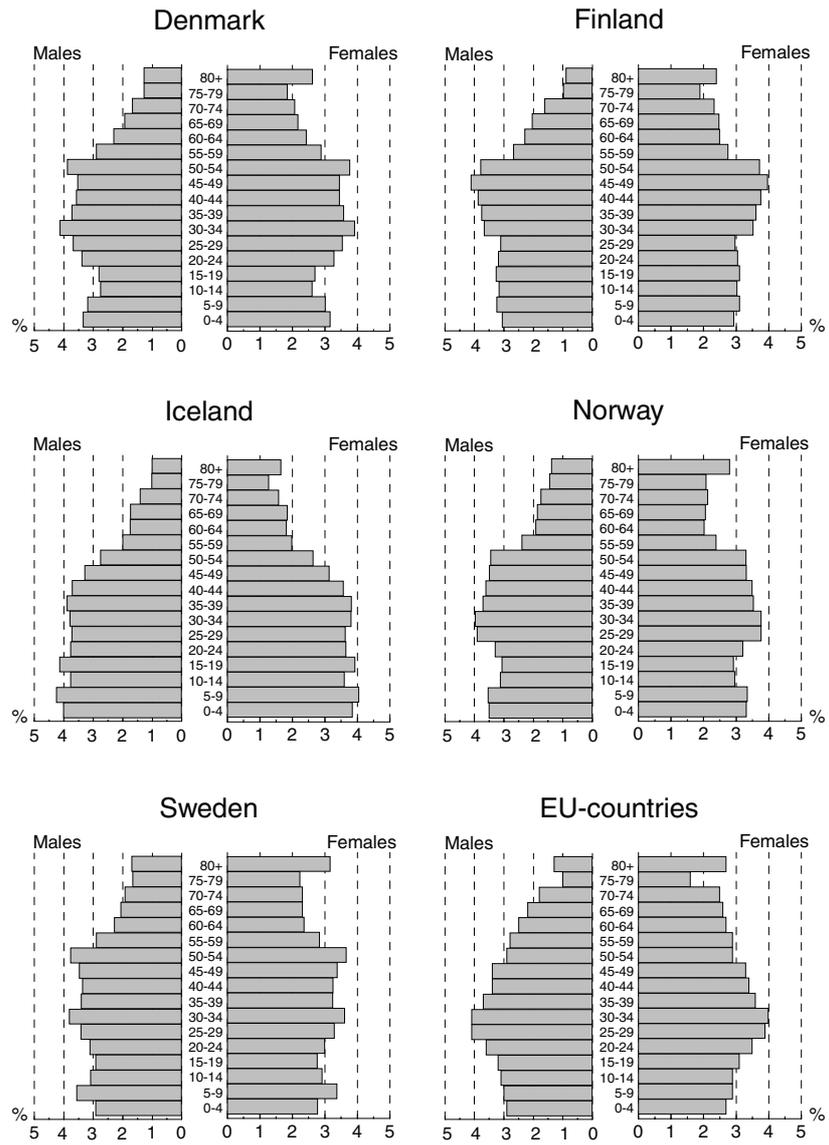
POPULATION AND INCOME DISTRIBUTION

Table 3.1 Mean population by sex and age, 1998

	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	247	9	225	9	16	11	218	10	385	9
7-17 »	330	13	365	15	24	18	313	14	617	14
18-24 »	243	9	231	9	15	11	201	9	380	9
25-49 »	988	38	955	38	50	37	828	38	1,549	35
50-64 »	483	18	451	18	18	13	345	16	792	18
65-79 »	260	10	239	10	11	8	225	10	501	11
80- »	68	3	46	2	3	2	62	3	150	3
Total	2,619	100	2,513	100	137	100	2,192	100	4,374	100
<i>Women</i>										
0-6 years	234	9	216	8	15	11	207	9	366	8
7-17 »	314	12	349	13	23	17	298	13	585	13
18-24 »	235	9	221	8	14	11	195	9	364	8
25-49 »	952	36	921	35	49	36	794	35	1,488	33
50-64 »	483	18	463	18	18	13	342	15	785	18
65-79 »	323	12	346	13	13	9	279	12	609	14
80- »	140	5	124	5	5	3	125	6	280	6
Total	2,682	100	2,641	100	137	100	2,239	100	4,477	100
<i>Men and women</i>										
0-6 years	482	9	441	9	31	11	425	10	751	8
7-17 »	644	12	714	14	47	17	611	14	1,202	14
18-24 »	478	9	452	9	29	11	396	9	744	8
25-49 »	1,941	37	1,876	36	100	36	1,623	37	3,037	34
50-64 »	966	18	915	18	36	13	687	16	1,577	18
65-79 »	583	11	585	11	24	9	503	11	1,110	13
80- »	208	4	170	3	7	3	186	4	430	5
Total	5,301	100	5,153	100	274	100	4,431	100	8,851	100

POPULATION AND INCOME DISTRIBUTION

Figure 3.1 Population by sex and age as percentage of the total population, 1998



Income Distribution

Several studies have shown that the differences in the income level are relatively small in the Nordic countries in comparison with those in most of the OECD countries. Figure 3.2 shows the distribution of the disposable household income for each country in 1997, broken down by quartiles.

The quartiles have been calculated on the basis of the equivalent disposable income. The first quartile is composed of the households with the lowest incomes, whereas the households with the highest incomes constitute the fourth quartile.

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

In Finland and Sweden, the lowest quartile forms a slightly larger part of the total household incomes than is the case in the other Nordic countries. It should be mentioned, however, that the Icelandic data are not completely comparable with the data from the other Nordic countries (cf. Chapter 2). This may explain the larger income dispersion in Iceland.

Figures 3.3 and 3.4 show the average disposable incomes for single people and couples, respectively, broken down by quartiles, converted into PPP-Euro. They also show the distribution on factor income and social services and benefits in per cent of the gross income, as well as the tax in per cent of the gross income in 1997.

The quartiles have been fixed on the basis of the disposable incomes for the total number of households. As was the case in Figure 3.2, equivalent incomes have been used.

The average disposable income for single people is highest in the first quartile in Norway and lowest in Iceland. In the fourth quartile, it is highest in Norway and lowest in Sweden. For couples, the disposable income in the first quartile is highest in Norway and lowest in Iceland. In the fourth quartile, it is also highest in Norway and lowest in Finland.

The proportion of the social benefits of the gross income is for all countries (with the exception of single people in Iceland) largest for the households with the lowest disposable incomes, and smallest for the households with the highest disposable incomes. The social benefits are in other words contributing to the elimination of differences in the incomes. The very low cash benefits payable to single people in the lowest income bracket in Iceland are due to the fact that this group comprises children over the age of 15 years living at home (cf. Chapter 2). In the other countries, social benefits constitute a relatively large part of the gross incomes in the lowest quartile for single people. For couples with children, social benefits constitute a

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relatively large part of the gross income in the lowest quartile in Denmark, and to some extent also in Finland, Norway and Sweden. Social benefits also constitute a considerable part of the gross income in the higher quartiles for single people and couples with children in Finland and Sweden and for single people in Denmark.

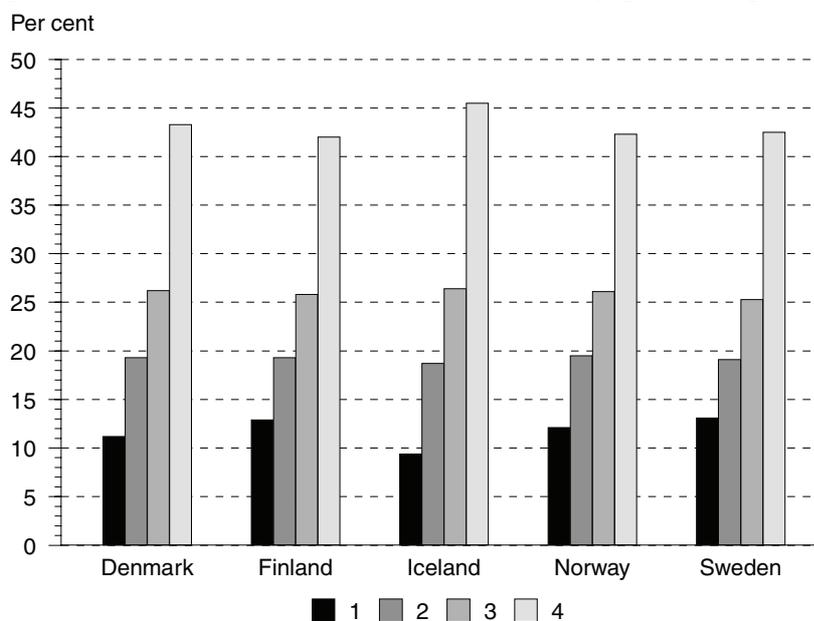
In all the countries the social cash benefits constitute a larger part of the gross income for all single people than for all couples with children. This is mainly due to the number of pensioners and other households who receive transfer incomes being larger among single people than among couples with children.

The tax share 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 elimination of the differences in the income levels.

The tax share of the gross income is clearly higher in Denmark than in the other countries. This is due to the fact that employers' social contributions play a significantly larger role in the financing of public benefits in the other Nordic countries (cf. Chapter 10). Differences in the taxation of the social benefits from one country to another are also relevant.

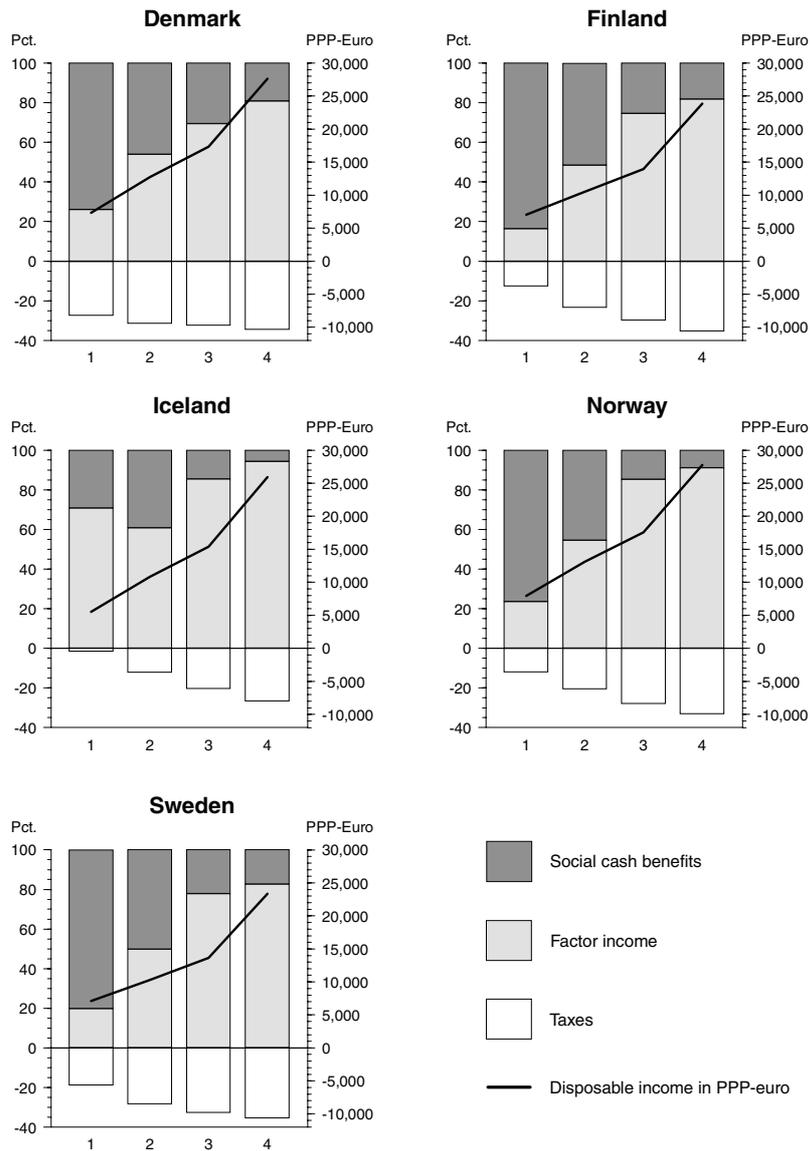
A more detailed description of the calculation basis can be found in Appendix 1.

Figure 3.2 Distribution of household incomes by quartiles, per cent, 1997



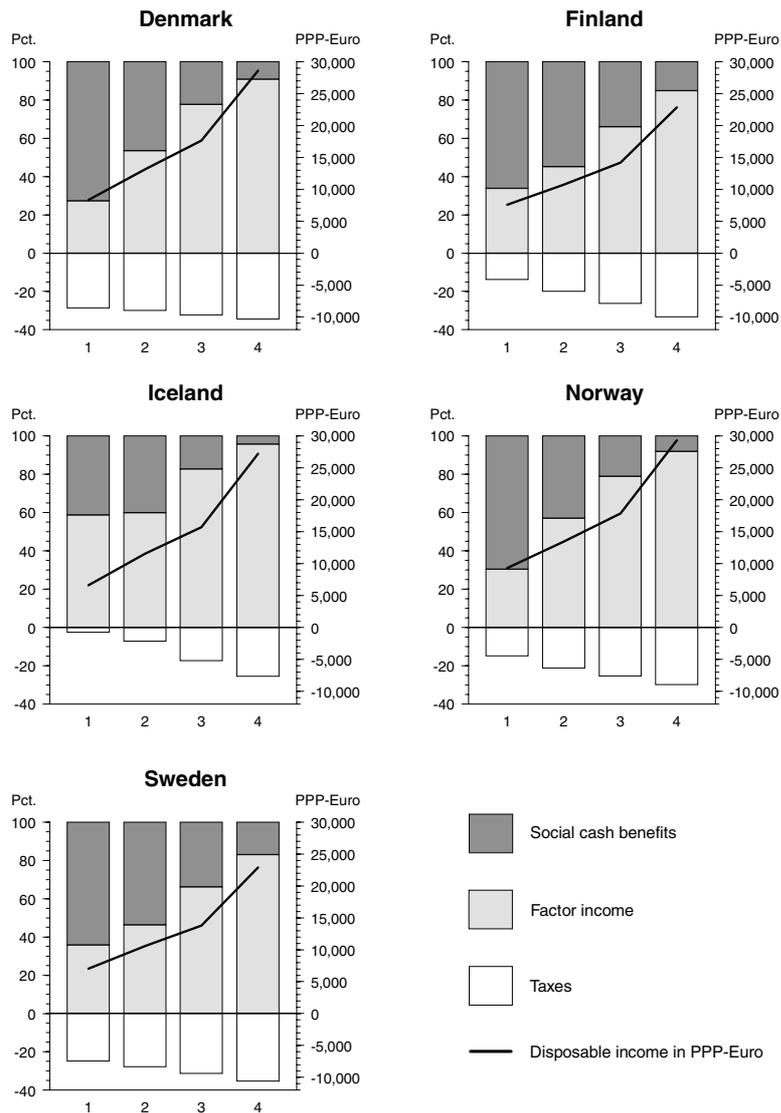
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Figure 3.3 Average disposable income in PPP-Euro, distribution in per cent of the gross income on factor incomes, social cash benefits and taxes as percentage of the gross income, broken down by quartiles, 1997. Single people with or without children



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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 percentage of the gross income, broken down by quartiles, 1997. Married and cohabiting couples with or without children



Chapter 4

Families and Children

While the Nordic countries spend almost identical amounts of the total social expenditure on families and children, somewhat larger differences can be seen in the expenditure patterns in the EU countries.

Table 4.1 Expenditure on families and children as percentage of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	12.6	Austria	8.8	Italy	13.2
Finland	12.6	Belgium	10.0	Luxembourg	5.3
Iceland	12.5	France	8.2	The Netherlands	2.0
Norway	13.7	Germany	3.7	Portugal	9.1
Sweden	10.8	Greece	13.2	Spain	10.1
		Ireland	3.5	United Kingdom	10.5

Note: The source is EUROSTAT: *Social Protection Expenditure and Receipts. European Union, Iceland and Norway Edition 2000.*

A characteristic feature of Nordic families is that there are relatively many single parents. In all the countries, there are considerably more single mothers than there are 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 the participation rate among women is high (cf. Chapter 5). This increases the need for child-minding options during parents' working hours.

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Table 4.2 Families by family type, 1998

	Denmark	Finland	Iceland ¹⁾	Norway ²⁾	Sweden ³⁾⁴⁾
<i>Number of families with children aged 0-17 years (1,000)</i>	645	625	40	573	1,141
Percentage of whom are:					
– Married couples	64	67	55	63	} 80
– Cohabiting couples	18	14	22	15	
– Single people	18	19	23	22	20
Total	100	100	100	100	100
<i>Number of families without children (1,000)</i>	2,226	2,115	109	1,500	2,437
Percentage of whom are:					
– Married couples	27	26	23	32	} 36
– Cohabiting couples	8	7	3	..	
– Single people	65	67	74	68	64
Total	100	100	100	100	100
<i>Number of single people with children (per cent):</i>					
Men	13	12	6	12	23
Women	87	88	94	88	77
Total	100	100	100	100	100
<i>Number of single people without children (per cent):</i>					
Men	50	48	54	48	59
Women	50	52	46	52	41
Total	100	100	100	100	100
<i>Average number of people per family</i>	1.8	1.9	2.9	2.0	2.0

1 Children aged 0-15 years.

2 Cohabiting couples without joint children have been calculated under single people.

3 Figures from labour-force surveys performed by Statistics Sweden. The data have been calculated on the basis of a selection of about 17,000 individuals per month. The number of people per family has been calculated by dividing the number of households with persons between 18 and 64 years by the total population under 65 years.

4 Cohabiting couples included under 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 income on factor income and social cash benefits for families and single people with or without children, respectively.

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Figure 4.1 Income structure in 1997 for single people and for couples aged 20-44 years

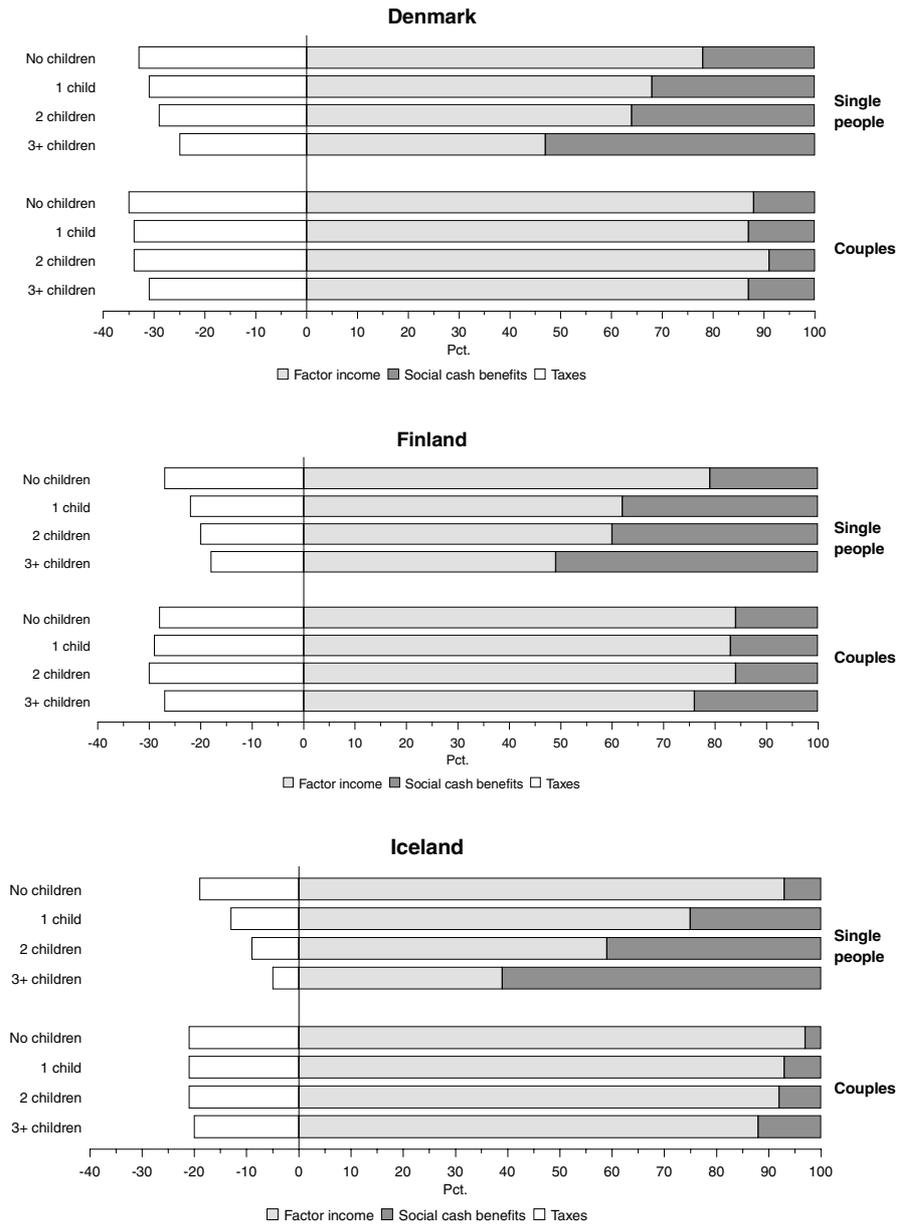
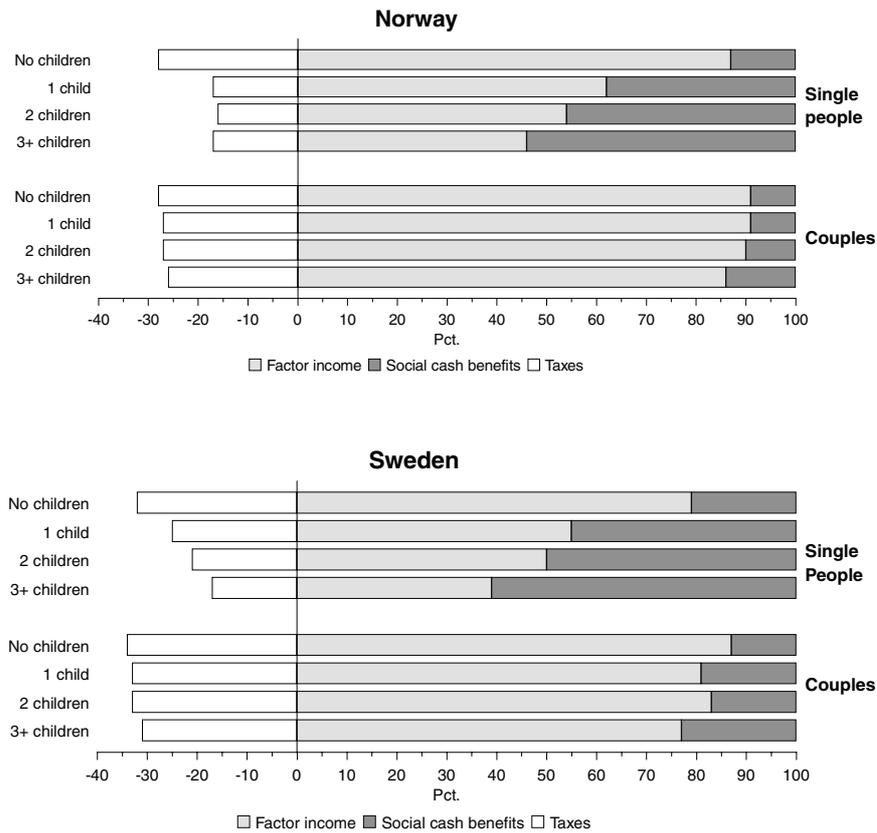


Figure 4.1 continued ...



The relative income level for single people and couples with or without children, respectively, appears from Table 4.3, the average disposable income for all single people and all couples with children having been fixed at 100. A family consists in this connection of 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. As to Iceland, children over 15 years are, however, counted as independent households. Equivalent incomes have been used in the comparison.

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Table 4.3 Index for disposable incomes for single people and married or cohabiting couples with or without children, respectively, and total disposable incomes in PPP-Euro for all in the age group 20-44 years, 1997 (total disposable income = 100) ¹⁾

	Denmark		Finland		Iceland		Norway		Sweden	
	Single people	Couples	Single people	Couples	Single people	Couples	Single people	Couples	Single people	Couples
<i>Index for disposable income</i>										
No children	103	108	101	104	101	180	102	115	103	114
1 child	90	101	96	104	86	107	98	99	87	100
2 children	75	96	95	98	80	93	89	96	88	97
<i>Total disposable income in PPP-Euro</i>										
Total	12,661	19,050	10,876	15,128	12,589	12,033	13,813	19,787	10,213	13,778

1 The basis of the calculations is the equivalent disposable income.

As appears from Table 4.3, the equivalent disposable incomes for childless families are higher than are the disposable incomes for families with children. In Finland, however, cohabiting or married couples with one child have a disposable income that almost corresponds to that of cohabiting or married couples without children. It is furthermore characteristic of both single parents and couples with children that the disposable income is lower, the more children there are in a family.

In Iceland, where a different family definition is used, the relative income level for couples without children is clearly higher than it is for couples with children, but the income level for couples without children is also relatively high in Denmark, Norway and Sweden.

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 for single people, social cash benefits represent a larger part of the gross income for families with children than is the case for families with no children. 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 - and similarly, the more children there are in a family, the smaller is the part represented by tax of the gross income.

In all the countries, social benefits and taxes contribute to levelling off the differences in factor incomes between single people and couples, between families with children and families without children, and between families

with one child and families with two or more children. For couples with children, social cash benefits play the most important part in Finland and Sweden and the least important part in Iceland. In all the countries, the social cash benefits constitute a considerable part of the gross income for single providers.

The differences in the significance of social cash benefits to the individual family types are a result of two different factors: firstly, the composition of the social benefits payable to families with children; it is essential that special benefits are granted to single parents in all the countries (with the exception of Sweden), and that the benefits per child in all the countries (with the exception of Denmark and Iceland) increase concurrently with the number of children 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 among couples. Within the age group 20-44 years, single people are normally younger than are couples, and consequently there are more students receiving student grants among single people.

Cash Benefits to Families and Children²⁾

Daily Cash Benefits in Connection with Childbirth or Adoption

– Financial support to all in connection with childbirth and adoption

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

In all the countries, with the exception of Iceland, the benefit payable in the

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

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Table 4.4 Rules governing payment of income-substituting cash benefits in the event of childbirth as per December, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Working (employees)</i>					
Maximum number of weeks in which maternity benefits are payable	30	44	26 ²⁾	52 ³⁾	Approx. 64 ⁵⁾
Of which (weeks):					
- Only the mother	18	18	4	9	4
- Father together with mother	2	3	2 ²⁾	4	2
- Only the father	2	-	-	2	4
- Either the mother or the father	10	26	2	39	Approx. 60
Of which:					
- Before birth	4 ¹⁾	5-8	4	Max. 12	Max. approx. 9
Benefit taxable?	Yes	Yes	Yes	Yes	Yes
<i>Not working</i>					
Maximum number of weeks in which maternity benefits are payable	-	44	28 ²⁾	Non-recurrent payment	Approx. 64
Benefit taxable?	.	Yes	Yes	No	Yes
Leave period sharable with father?	.	Yes, but for a max. of 26 weeks	No	No ⁴⁾	Yes

1 The period may be prolonged in case of a difficult pregnancy, or if work is a risk to the foetus. Public-sector employees and some private-sector employees are entitled to maternity leave with pay for eight weeks prior to birth according to collective agreements.

2 In Iceland, fathers are as of 1 January 1998 entitled to paternity leave for 2 weeks within the first 8 weeks following the confinement. The period may be prolonged, if either the mother or the child is suffering illness.

3 42 weeks with 100 per cent compensation or 52 weeks with 80 per cent compensation.

4 May be shared if the mother dies, and/or the father is awarded custody.

5 Fathers are entitled to 10 days in connection with the confinement. These days are not included in the 64 weeks.

event of loss of income is based on previous earnings. In Denmark, Finland and Iceland, public-sector employees and some private-sector employees receive full pay during the months following childbirth. Non-public employees in Iceland receive a fixed amount irrespective of their income, but the amount depends on the rate of employment (full-time or part-time employment).

Table 4.5 Amount of income-substituting cash benefits in the event of childbirth as per December, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Working (employees)</i>					
Amount of maternity benefit (per week) in per cent of previous income	100	Normally 70	.	100/80	80
Income ceiling per week for full compensation in national currency ¹⁾	2,971	.	.	5,235	5,250
Income ceiling per week for full compensation in PPP-Euro ¹⁾	315	.	.	424	484
Min. amount per week in national currency	–	360	11,957 ²⁾	436/349	420
Min. amount per week in PPP-Euro	–	56	123	35/28	39
Max. amount per week in national currency	2,688	.	16,112 ²⁾	5,235/4,188	4,186
Max. amount per week in PPP-Euro	285	.	171	424/339	386
<i>Not working</i>					
Amount of maternity benefit (per week)	.	360	7,082	618 ³⁾	420

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 in accordance with differing principles in the various countries.

2 The amount of the maternity benefit depends on the amount of work carried out during the 12 months prior to giving birth. The minimum amount will be payable after between 516 and 1,031 hours of work, and the maximum amount after 1,032 hours or more.

3 In Norway, a non-recurring amount of NOK 32,138 is payable for 52 weeks, corresponding to NOK 618 per week.

Only mothers qualify for the benefit payable prior to childbirth, whereas in all the countries, the benefit payable after childbirth may be granted to the fathers instead of to the mothers, but according to somewhat 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 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,

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however, only a small amount is awarded, and in Norway, the benefit is a non-recurrent payment.

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 Norway, fathers are entitled to take leave together with the mothers immediately following the birth, but without pay. Both in the public and in large parts of the private sector there are, however, collective agreements granting wage compensation to fathers for a certain amount of days (usually 14 days) immediately following childbirth.

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 Iceland and Denmark.

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. The calculation has been made for a couple with no other children than the new-born and for a couple who already has two children. The compensation level is the amount of the disposable income where the person earning the most receives maternity benefit, stated in per cent of the disposable income, where both are gainfully employed.

As can be seen from Figure 4.2, the compensation level is over 100 per cent for single parents in the lowest income brackets in all the Nordic countries, with the exception of Iceland. This is primarily due to the child allowances payable for new-born children, but also to the housing benefit being higher for families with children than it is for childless families. Something similar applies to couples, cf. Figure 4.3.

In respect of couples with two children besides the new-born, the high compensation level in the lowest income groups (in particular in Sweden) can be attributed to the payment for places in day-care institutions for the other two children being lower when the parent earning the most receives maternity benefit. This is also a contributing factor to the compensation level of the lowest income groups being higher for families with two children than it is for childless families.

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Figure 4.2 Disposable income for a single person with a new-born child, 1998

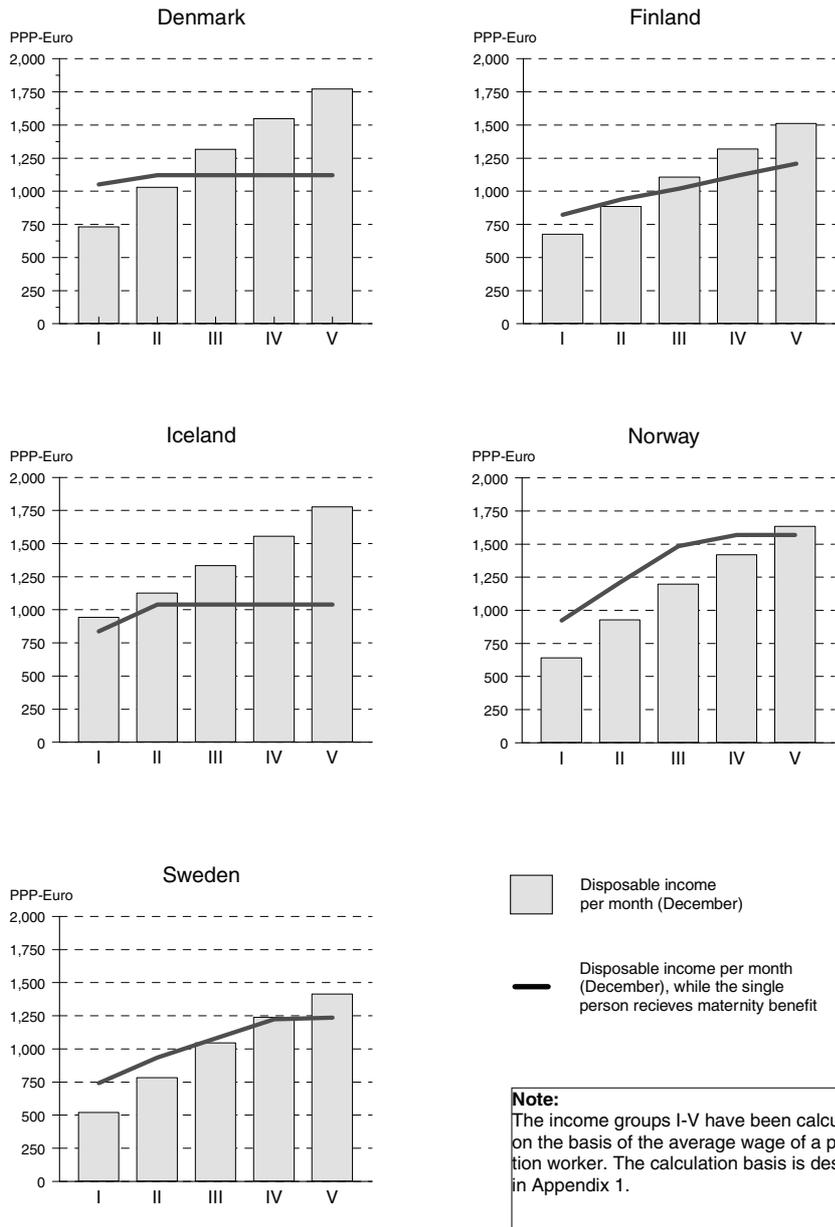
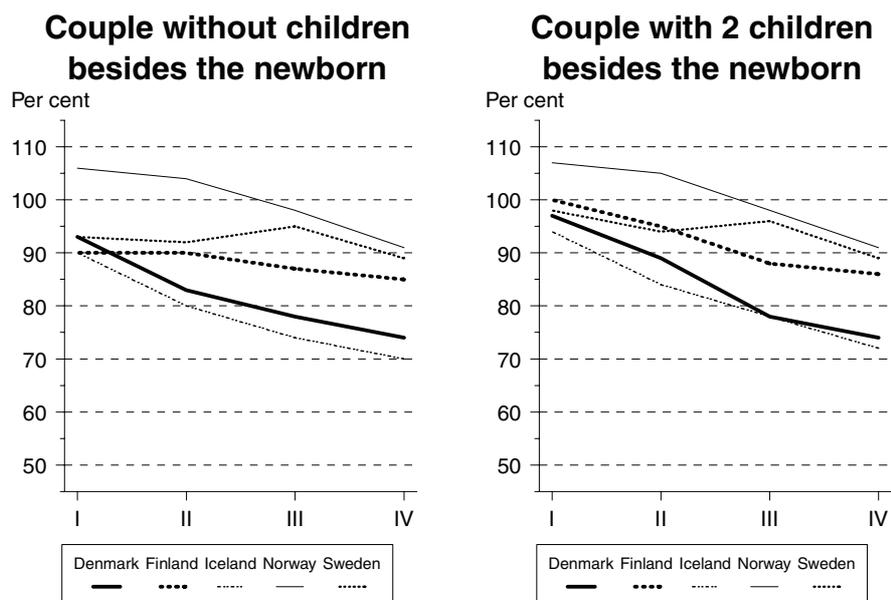


Figure 4.3 Disposable income while receiving maternity benefit as percentage of disposable income when working, 1998



The compensation levels also depend on the level of the daily cash benefits seen in relation to previous income. As mentioned above, a fixed amount is payable in Iceland to both full-time and part-time employees, irrespective of income. Besides, public employees and some private employees are paid in full for the first months following childbirth. In the other countries, the daily cash benefits are lowest in Finland and highest in Denmark and Norway, measured in relation to previous income (cf. Table 4.5). In Finland, in return, there is no upper limit to the level of daily cash benefits. In the other countries, the maximum daily cash benefit is highest in Norway and Sweden and lowest in Denmark.

These factors contribute to the compensation level generally being highest 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, and in particular in Iceland, is relatively low for those groups.

Table 4.6 Recipients of daily cash benefits in the event of pregnancy, childbirth or adoption during the year, 1990-1998

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden
Number of beneficiaries					
Men					
1990	34,499	27,338	75	645	104,356
1995	41,003	40,267	10	25,166	130,786
1997	39,138	39,806	13	30,003	133,948
1998	39,934	40,477	1,108	32,235	137,750
Women					
1990	80,108	110,518	5,404	51,949	295,080
1995	90,335	108,429	5,066	76,088	327,846
1997	85,652	101,990	4,943	77,015	299,841
1998	84,293	98,934	5,004	76,976	286,882
<i>Number of benefit days</i>					
<i>(1,000)</i>					
1990	12,523	16,900	725	5,149	50,607
1995	14,385	16,947	688	10,699	52,212
1997	13,867	15,981	663	11,043	37,905
1998	13,566	15,381	671	10,992	37,709
Of which percentage of men					
1990	4.1	2.4	..	..	8.8
1995	4.4	3.6	0.1	5.8	10.3
1997	4.3	3.8	0.1	6.7	11.1
1998	4.8	3.9	2.3	7.0	11.6

1 Entitlement to daily cash benefit during maternity leave shall lapse if a mother is entitled to full pay from her employer. Of the 5,004 mothers receiving daily cash benefit in 1998 3,374 received daily cash benefits due to giving birth in 1998; 704 other mothers who gave birth in 1998 were not entitled to daily cash benefits as they received full pay during the maternity period.

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 received 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. In Denmark, fathers' entitlement to paternity benefit has been extended by two weeks as from 1998. As per 1 January 1998, Icelandic fathers obtained an independent entitlement to paternity leave for two weeks within the first eight weeks of childbirth. Norway has seen a rise in the number of men receiving daily cash benefits. This is due to both a new scheme from 1993

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giving men an exclusive right to four weeks of leave with daily cash benefits as well as a 'time-account' scheme that since 1994 has allowed for flexible use of leave of absence with daily cash benefits. 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, parents may be entitled to daily cash benefits until a child reaches the age of 8 years. In 1998, about 89 per cent of the total amount of days for which parental daily cash benefit was paid was for children under the age of two years. For women about 90 per cent of the days were for children under the age of two, and for men, it was about 73 per cent.

Cash Benefits to Parents Minding Children

– Entitlement to leave of absence for child minding

In Denmark, parents with children under the age of nine are entitled to child-minding leave. In 1997, parents were entitled to 13 weeks' leave, but 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 un-employed people. During a parental leave period, a child must not make use of any 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 was in 1995 reduced from 80 to 70 per cent of the maximum amount of daily cash benefits and was further reduced to 60 per cent in 1997. Moreover, local authorities may grant a supplementary benefit of up to DKK 35,000 per year. The average number of people on child-minding leave dropped from 22,000 in 1997 to 20,000 in 1998 and 1999.

In Finland, parents are, after having received parental daily cash benefit for a while, entitled to choose between a place in a municipal day care institution or an allowance towards minding of small children. The scheme was continued as per 1 August 1997. The allowance may be granted either as a supplement towards child minding in the home or a supplement towards 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 and a supplement. The basic amount is FIM 1,500 per month for a child under three years and FIM 500 per month for each additional child under three years. For other children of pre-school age, the allowance amounts to FIM 300 per month.

The supplement (FIM 1,000) will only be granted for one child and is subject to the family income. At the end of 1998, child-minding allowances were being paid for 129,400 children. Allowance towards private child minding is 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 entitled to a partial minding allowance of FIM 375 per month.

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 of the 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 1998, 2.6 per cent of mothers and 0.8 per cent of fathers chose the time account. Three fourth of the women chose leave with a compensation level of 80 per cent. About 30,200 fathers received daily cash benefit. Of these 4,260 fathers received paternity benefit for longer than the four weeks that are reserved for fathers.

In Norway, a cash benefit for one-year-olds was introduced on 1 August 1998 and for two-year olds on 1 January 1999. The cash benefit amounts to NOK 3,000 per month and is granted per child without being subject to income or need; the benefit is exempt from tax and will not be reduced or shortened in the event that the beneficiary receive other public benefits at the same time. The amount of the cash benefit is determined by the Norwegian Parliament. The condition for receipt of the full amount is that no place is taken up in a state-subsidized kindergarten. A graduated benefit is granted in connection with a part-time place in a kindergarten.

In Sweden, parents are entitled to a parental benefit for 64 weeks in connection with childbirth. This period may be divided into several shorter periods until a child turns eight or has completed its first year of schooling.

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

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Minding of sick children

In all Nordic countries, parents are entitled to some extent 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 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 sickness benefit is payable, while in Sweden, a compensation corresponding to 80 per cent of the income from work is payable.

In Denmark, Finland, Norway and Sweden, there are also special rules concerning minding of chronically or seriously ill children. Those rules are described in Chapter 7.

Child Allowance

– An allowance 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 Denmark, 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, Norway and Sweden, until a child reaches the age of 16 years - 20 years in Iceland and Sweden, however, if a child is receiving education. In all the countries, Central Government finances the child allowance.

Table 4.7 Rules governing child allowance 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Child allowance income-adjusted?</i>	No	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	Yes	Yes
Extra child allowance to single parents?	Yes	Yes	Yes	Yes	No

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 years. In Denmark, the allowance is 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. As from 1998, an extra infant supplement was introduced 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 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 all the countries, apart from Sweden, a special child allowance is payable to single providers, making the allowance per child higher for single parents than it is for two-parent families.

In Finland and Norway, the child allowance per child will be increased for each child in the family, in Norway up to and including the a fifth child. In Denmark, Finland and Norway, an extra child allowance is payable to single providers. In Sweden, no new multiple-birth supplements were granted in 1996 and 1997, but as from 1998, the multiple-birth supplement will be granted again to families with three or more children.

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Table 4.8 Annual amount of child allowance as per December 1998

	Denmark DKK ¹⁾	Finland FIM	Iceland ISK ²⁾	Norway NOK ³⁾	Sweden SEK
<i>Couple with:</i>					
1 child	10,000	6,420	-	11,112	9,000
2 children	20,000	14,304	-	22,740	18,000
3 children	30,000	23,652	60,349	35,832	29,400
<i>Single parent with:</i>					
1 child	18,192	8,820	165,398	22,740	9,000
2 children	32,836	19,104	312,459	35,832	18,000
3 children	47,480	30,852	475,683	49,572	29,400
Average amount of child allowance per child in KR/FIM	10,418	7,682	60,590	14,035	9,531
Average amount of child allowance per child in PPP-Euro	1,104	1,105	643	1,136	878

1 Calculations have been made on the basis of a general family allowance for the 3-6 year-olds of DKK 2,500 per quarter to both single parents and couples. The allowance payable for the 0-2 year-olds amounted to DKK 2,750 per quarter and DKK 1,950 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 amount to a couple with one child 0-15 years is ISK 104,997 and ISK 174,879 to single parents. For each child over one year, a maximum of ISK 124,980 is payable to cohabiting couples and ISK 174,879 to single parents. Besides, a supplement of ISK 30,930 is payable for children between 0 and 6 years. Where a couple's annual income exceeds ISK 1,169,568 and that of a single parent ISK 584,784, the allowance will be reduced by 5 per cent of the earnings exceeding the maximum amount for one child, 9 per cent for two children and 11 per cent for three or more children. The calculations have been made for a child under 7 years. The average amount applies to all children between 0 and 15 years.

3 The calculation has been based on child allowances for children between 3 and 16 years plus the supplement for Northern Norway. A supplement of NOK 657 per month is granted for children aged 1-3 years plus the supplement for Northern Norway of NOK 316 per month.

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. In Iceland, a non-income regulated supplement is granted in the shape of maternity or paternity wages to widows and widowers, unmarried or divorced women who provide for two or more children under the age of 18 years. 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 subject to any income.

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 a 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 party entitled to the allowance may, in all the Nordic countries, be paid in advance by the public authorities. 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 all the countries, a minimum has been fixed for the amount of the maintenance-allowance advance. In Finland, Norway and Sweden, the public authorities pay the difference up to the minimum amount if the party liable to pay is unable to do so. In Norway, the number of children receiving maintenance-allowance advances as percentage of the number of children entitled to allowances has decreased. This is due to an amendment of the law to the effect that maintenance-allowance advances will now only be payable where the party liable to pay does not pay or does not pay on time.

Table 4.9 Amounts of maintenance-allowance advances in 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Maximum amount per child per year, KR/FIM</i>	8,904	7,678	146,460	12,840	14,076
Maximum amount per child per year, PPP-Euro	943	1,104	1,554	1,039	1,297

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Table 4.10 Number of children receiving maintenance-allowance advances as percentages of the population under 18 years, 1990-1998

	Denmark	Finland	Iceland	Norway	Sweden
1990	14	7	16	12	15
1995	15	10	17	15	16
1997	15	11	19	12	16
1998	15	11	19	12	16

Other Benefits

In Norway, the general child allowance is supplemented with tax relief for children. The expenditure on this relief is, however, not included in the social expenditure statistics. Single providers may also be granted a so-called transition allowance for maintenance by the Social Security Scheme.

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 granted.

Child pension is payable to children in the event that one or both parents are deceased. Child pensions are 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 daily service. 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 in cases 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, most institutions provide both full-time and part-time places, but full-time institutions and part-time institutions also exist separately.

Both in Denmark, Finland and Norway, parents may, according to slightly differing rules, be granted a cash amount for completely or partly taking care of their children in their own homes.

In all the countries, local authorities must ensure that there are a sufficient number of places available. In Denmark, 71 per cent of the municipalities provided a child-minding guarantee in 1998 for children aged 0-9 years, whereas another 7 per cent guaranteed child-minding for part of that age group. Since 1998, local authorities have been able to grant financial support to parents who choose private child-minding over a public day-care-facility offer. In Finland, all children under seven years have since 1996 been entitled to a place in a municipal day care institution or in family day care. Since 1 August 1997, 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. The subsidy consists of a basic amount of FIM 700 and a supplement of FIM 800, where the supplement is subject to parents' income. By the end of 1998, subsidies were paid for to private minding of 12,755 children.

In Iceland, 88 per cent of all children aged 3-5 years and 64 per cent of all children aged 0-5 years had places in public day care institutions for children or in family day care. In Norway, 51 per cent of all children aged 0-5 years had places in a kindergarten or in family day care. In Sweden, children whose parents are actively employed or study are given priority to a child-minding facility. Besides, there are minding schemes for children who need special support.

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.

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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 both Denmark, Finland and Norway, 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 club schemes.

In Finland, the scheme is not compulsory, but about 78 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 are receiving 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 1998, 92 per cent of all 6 year-olds attended pre-school class, whereas 6 per cent already had started school proper. All 6 year-olds are entitled to start school if their parents so wish.

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 may be integrated in the minding of pre-school children in the day care institutions. In Norway, the responsibility for the development of after-school club schemes 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 age limits for entitlement to places at youth centres/after-school-club schemes. 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.

Table 4.11 Children enrolled in day care institutions and family day care (thousands) by age, 1990-1998

	Denmark	Finland ¹⁾	Iceland ²⁾	Norway ³⁾	Sweden ⁴⁾
1990					
0-2 years	88	55	3	19	103
3-6 years	161	141	10	120	263
0-6 years, total	248	196	13	139	367
7-10 years	74	17	1	..	146
0-10 year-olds, total	322	213	13	..	512
1995					
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
0-10 year-olds, total	441	190	17	..	688
1997					
0-2 years	114	45	5	50	118
3-6 years	244	175	12	134	404
0-6 years, total	358	220	17	184	522
7-10 years	152	10	-	..	223
0-10 year-olds, total	511	230	17	..	745
1998					
0-2 years	110	44	5	49	108
3-6 years	253	178	12	139	362
0-6 years, total	363	222	17	188	470
7-10 years	166	9	-	.	242
0-10 year-olds, total	529	231	17	.	712

1 Figures from and including 1997 include children in publicly subsidised private day care institutions.

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

3 As from 1997, 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.

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 another. 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.

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Table 4.12 Children enrolled in day care institutions and family day care, by age as percentages of the respective age groups, 1990-1998

	Denmark	Finland ¹⁾	Iceland ²⁾	Norway ³⁾	Sweden ⁴⁾
<i>1990</i>					
0-2 years	48	31	24	11	29
3-6 years	73	58	60	57	64
0-6 years, total	61	44	43	33	48
7-10 years	34	7	3	..	38
0-10 year-olds, total	52	30	28	..	44
<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
0-10 year-olds, total	63	27	35	..	54
<i>1997</i>					
0-2 years	55	25	39	28	41
3-6 years	89	67	66	73	84
0-6 years, total	74	49	55	50	68
7-10 years	61	4	-	..	68
0-10 year-olds, total	70	33	35	..	60
<i>1998</i>					
0-2 years	55	25	42	27	42
3-6 years	90	69	68	75	79
0-6 years, total	75	51	57	51	66
7-10 years	65	4	-	.	49
0-10 year-olds, total	72	33	36	.	59

1 Figures as from 1997 include children in publicly subsidised private day care institutions.

2 As from 1995, only children between 0 and 5 years. The inscription percentage is 90,5 for 3-5 year-olds and 6.6 for 0-5 year-olds.

3 As from 1997, 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 to lend support if the risk arises of children or young people growing up in adverse circumstances.

In Denmark, 28,049 families made use of one or more preventive measures during 1998 in the shape of advisory services, practical educational support in the homes, family treatment, stays in residential institutions for both parents and children, or financial support with a view to avoiding placing children outside of their homes. Furthermore, by the end of 1998, 6,226 children and youths had been placed in residential care, with foster families or in other relevant places, to relieve their parents from taking care of them for a while. 1,369 children and youths had had a personal advisor appointed to them, and 275 children a specific contact person. 1,923 children and youths received financial support towards staying at boarding or continuation schools without that being an actual placement outside of their own homes.

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 in the shape of support staff or support families, support to getting a job, a place to live, or support to hobby activities. In 1998, 38,632 people received support. 92 per cent of these were children under 18 years, whereas the remaining 8 per cent were between 18 and 20 years. In 1998, there was an addition of 9,183 new clients, corresponding to 24 per cent of all those receiving assistance.

In Iceland, 1,080 children made use of one or more preventive measures during 1997. Of these, 652 were placed outside of their homes for short or long periods.

In Norway, 24,300 children made use of one or more preventive measures in 1998. 8,737 were placed in respite homes; 5,579 were allocated support contacts. Support and contact people are employed by the local authorities to follow up on the young people in order for them to function well in social terms. 8,778 people received financial or other support. Some of

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the children were also placed outside of their homes as part of the preventive scheme. The Child Welfare Service cared for 5,800 children in 1998, all of whom were placed outside of their homes, either with families or in institutions for children.

In Sweden, preventive measures consist of initiatives for 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 extended pre-school classes combining daily work with visits to the homes aimed at providing families with practical and psycho-social support in the homes.

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

Another kind of activity is the so-called contact staff. An adult contact person or 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 1998. About 21,000 children and youths had such a contact during the year. About 17,000 children and youths received personal support based on need, and about 3,500 participated in a structured treatment programme (without placement) during 1998.

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 proper care. 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.

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, special committees under the county authorities 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 that a child be placed outside of its home without any decision being made by the welfare service about assuming care.

The number of children placed outside of their own homes varies from one country to another, but one trait common to all the countries is that more preventive measures are taken in the homes, in respect of children and families.

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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, 1990-1998

	1990	1995	1997	1998
<i>Denmark</i>				
0-6 years	6.8	3.9	3.9	4.2
7-14 years	14.9	11.9	11.6	11.7
15-17 years	34.2	29.3	29.8	31.1
18-20 years	17.9	15.0	15.2	14.8
0-20 years	16.1	12.0	11.7	11.8
<i>Finland</i>				
0-6 years	4.9	5.1	5.6	5.4
7-14 years	6.8	8.3	9.3	9.3
15-17 years	11.4	12.7	13.5	13.7
18-20 years	5.0	8.7	9.2	11.4
0-20 years	6.5	7.9	8.7	9.0
<i>Iceland¹⁾</i>				
0-6 years	5.5	3.6	5.3	..
7-12 years	16.9	9.2	9.4	..
13-16 years	8.2	11.7	14.7	..
0-16 years	10.2	7.4	8.9	..
<i>Norway</i>				
0-6 years	3.7	3.4	3.3	3.5
7-14 years	6.6	7.9	7.6	7.7
15-17 years	10.2	14.2	14.2	15.3
18-19 years	3.8	7.4	8.3	8.8
0-19 years	5.8	7.1	7.0	7.3
<i>Sweden²⁾</i>				
0-6 years	3.7	3.6	3.6	3.4
7-14 years	7.9	7.0	7.1	7.0
15-17 years	14.5	14.4	15.2	15.4
18-20 years	5.8	5.1	6.0	9.0
0-20 years	7.1	6.5	6.9	7.2

1 Children and young people of the ages 7-12, 13-16 and 0-16 years.

2 As from 1998, figures include a group of 18-20 year-olds who are receiving treatment according to the Social Service Act. This group of mainly 19-20 year-olds was previously included in the statistics as adult abusers.

In Denmark, the decline in the number of placements is furthermore a result of a number of young people who are at boarding or continuation schools – due to an amendment of the law in 1993 – no longer being considered to be placed outside of their homes. The number of placements is nevertheless still somewhat higher in Denmark than in the rest of the Nordic countries. This mainly applies to the 15-20 year-olds. Even after the

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amendment of the law in 1993, a relatively large number of young people in Denmark are 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.

The development in Norway is i.a. due to an enhanced effort on the part of the local authorities which has led to cases being dealt with faster, and that more children and youth have – for a period of time – been placed outside of their own homes.

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

Differences and similarities in the expenditure on families and children

The amounts calculated in PPP per capita spent by the Nordic countries on families and children vary highly. Denmark spends the most and Iceland the least. It should be mentioned, however, that only Finland and Iceland have included salaries and wages in 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 spend the largest amount on benefits payable on childbirth. Such benefits are also granted in Norway, but are almost non-existent in the other countries.

Both Finland and Denmark spend relatively large amounts on parental benefits for child minding, but these benefits are granted to different schemes. In Denmark, it is leave schemes for child-minding, in Finland, allowances for minding children in the home, and in Sweden, where a somewhat lower amount is spent, it is temporary parental benefits. In Norway, the amount covers expenditure on a child-supervision scheme. This is a scheme aimed at single providers who are granted a financial subsidy for minding children; the subsidy shall enable the single provider to be professionally active. Similar allowances do not exist in the other countries.

The expenditure on child allowances is highest in Norway and lowest in Sweden. This should be seen in relation to the allowance per child clearly being highest in Norway and lowest in Iceland and Sweden. Expenditure on other cash benefits is mainly public authorities' advance payment of maintenance allowances for children where Sweden spend the highest amount. Norway spends more on transition allowances and study grants to single, divorced and legally separated providers. Such benefits are not payable in the other countries.

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

In Denmark, the expenditure on both 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 are 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 is due to the number of children and young people placed outside of their own homes being relatively high in Denmark.

Development in the social expenditure on families and children from 1997 to 1998

In Denmark, the expenditure on the child-minding leave scheme continued to decrease as a result of a decrease in the leave benefit from 70 to 60 per cent of the daily cash benefit maximum as per 1 April 1997 and partly as a result of a slight decrease in the number of parents on leave. In return, the expenditure on day facilities increased as a result of an increase in the number of enrolled children of about 23,000 from 1997 to 1998, including children in the after-school club schemes. The expenditure on after-school schemes which is not included in the Nordic statistics on expenditure increased from about DKK 2.2 billion in 1997 to about DKK 2.3 billion in 1998.

In Finland, the expenditure on families and children has remained unaltered. However, the expenditure on day-care institutions and minding of children in the homes has increased.

In Iceland, the social expenditure on families and children has increased from 1997 to 1998. Although the expenditure on cash benefits dropped on

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Table 4.14 Expenditure on and financing of cash benefits and services for families and children, 1998

	Denmark	Finland	Iceland	Norway	Sweden
Cash benefits, million KR/FIM					
A. Daily cash benefit in the event of childbirth and adoption	4,658	2,855	1,444	6,366	11,236
B. Birth grants	-	53	681	492	20
C. Parental leave benefits	1,567	2,231	-	625	2,892
D. Family or child allowances	11,781	8,353	4,360	13,822	16,855
E. Supplements	-	-	-	-	-
F. Other	35	515	605	3,577	2,989
a. Of which advance on maintenance allowance to children	35	515	605	501	2,989
Cash benefits, total	18,040	14,007	7,089	24,882	33,992
Services, million KR/FIM					
A. Child day care	19,176	7,301	4,421	9,341	27,073
B. Accommodation	5,365	771	970	1,213	5,411
C. Home help	12	179	50	-	-
D. Other	1,488	1,040	800	4,801	3,228
Services, total	26,040	9,291	6,242	15,354	35,712
Total expenditure, million KR/FIM	44,080	23,297	13,331	40,236	69,704
Expenditure as percentage of GDP	3.8	3.4	2.3	3.6	3.7
<i>Financed by (per cent)</i>					
- Public authorities	85.9	89.7	87.7	80.4	80.6
- Employers	0.3	4.5	12.3	11.3	19.0
- The insured (contributions and special taxes)	13.8	5.8	-	8.3	0.4
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	1,656	198	670	594	112
- Per cent	3.9	0.9	5.3	1.5	0.2

Table 4.15 Expenditure on cash benefits and services for families and children, PPP/capita 1998

	Denmark	Finland	Iceland	Norway	Sweden
Cash benefits, total	360	391	275	454	354
Services, total	520	259	242	280	372
Families and children, total	880	650	517	734	726

account of an enhanced means test of the child allowance, other expenditure continued to increase. Also expenditure on social services increased steeply, where the expenditure on day-care institutions accounted for the largest amount.

In Norway, the expenditure increased by almost 8 per cent from 1997 to 1998. As from 1 August 1998, a cash benefit to one-year-olds was introduced, which influenced the expenditure; this can be seen from the expenditure on maintaining children increasing by 7.7 per cent. The expenditure on cash benefits payable in connection with childbirth increased by 7.7 per cent although the number of births dropped by 1,500 from 1997 to 1998. There are still more fathers receiving paternity cash benefits, and the basis for the calculation of cash benefit to fathers was in 1998 NOK 51,000 higher on average than it was for women.

In Sweden, the cash benefits increased by 10.5 per cent, which was due to the child allowance and the benefit level of parent insurances being increased on 1 January 1998. The expenditure on day-care institutions has decreased somewhat due to the continued financial squeezes in the municipalities as well as to a drop in the number of children.

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. In Iceland, only single providers and students pay a reduced rate. Children of parents who have a very low income may in all the countries (with the exception of Iceland) 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, Norway and Sweden, user charges are fixed by the local authorities. In Sweden, parents normally pay a rate based on both their incomes and the period of time which their child spends in the institution, but there is also 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, the total amount of user charges amounted to approximately 21 per cent of the running costs. In Finland, user charges made up

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about 15.4 per cent of the running costs for municipal day care. In Iceland, user charges for places in municipal day care institutions amounted to about 35.6 per cent of the total running costs, and user charges for after-school club schemes amounted to 41.6 per cent of the total running costs. In Norway, the user charge payable for private kindergartens amounted to 46 per cent and for the municipal kindergartens 29 per cent of the total running costs. Also after-school club schemes are mostly based on user charges adjusted by local authorities. It is, however, not possible to calculate how large a share parents pay themselves. In Sweden, user charges amounted on average to about 17 per cent of the total running costs, 15 per cent in pre-schools and 23 per cent in after-school clubs.

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 as well as the extent of activating measures for the unemployed vary considerably from one country to another. Consequently, there is no strict correlation between the extent of unemployment and the expenditure on unemployment.

Table 5.1 Expenditure on unemployment as percentage of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	12.6	Austria	5.5	Italy	1.8
Finland	13.3	Belgium	12.7	Luxembourg	3.7
Iceland	3.2	France	7.8	The Netherlands	11.0
Norway	4.3	Germany	9.1	Portugal	5.0
Sweden	9.5	Greece	4.6	Spain	14.1
		Ireland	15.7	United Kingdom	4.0

Note: Cf. Table 4.1.

Generally, the Nordic countries have a high participation rate, but there are significant differences between the countries.

The unemployment rate was very high in some of the Nordic countries during the 1990s, but has declined in recent years, cf. Figure 5.1.

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Figure 5.1 Development in the unemployment rate, 1990-1998

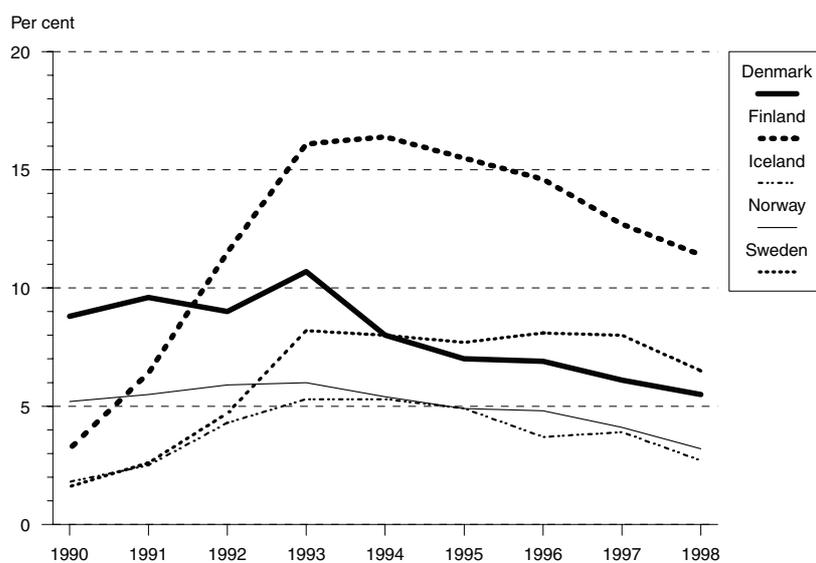


Table 5.2 The population aged 16-64 years broken down by activity, 1998

	Denmark	Finland ¹⁾	Iceland	Norway	Sweden
The population aged 16-64 years (1,000)	3,482	3,441	167	2,822	5,564
<i>Of whom (per cent):</i>					
Employed, total	76.1	64.1	84.3	78.3	71.5
– Full-time employed	61.1	57.0	60.6	58.4	55.3
– Part-time employed	15.0	7.1	23.7	19.9	16.0
Unemployed	4.3	8.3	2.4	2.6	5.0
Outside of the labour force	19.5	27.6	13.4	19.1	23.5
Total	100.0	100.0	100.0	100.0	100.0

1 Population aged 15-64 years.

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Table 5.3 Development in the unemployment rate by sex, 1990-1998

	Total number of unemployed people	Unemployed people as percentages of the labour force					
					16-24 year-olds		
		Total	Men	Women	Total	Men	Women
<i>Denmark¹⁾</i>							
1990	258,000	8.8	8.2	9.6	12.1	11.8	12.4
1995	197,000	7.0	6.1	8.2	9.7	8.8	10.6
1997	174,000	6.1	4.9	7.6	7.8	6.6	9.2
1998	155,000	5.5	4.5	6.6	7.3	7.2	7.3
<i>Finland²⁾</i>							
1990	82,000	3.2	3.6	2.7	9.3	10.2	8.2
1995	382,000	15.5	15.8	15.1	29.7	30.7	28.6
1997	314,000	12.7	12.4	13.1	25.2	25.4	25.1
1998	285,000	11.4	10.9	12.0	23.5	22.8	24.3
<i>Iceland</i>							
1990	2,255	1.8	1.4	2.2	..	..	..
1995	7,200	4.9	4.8	4.9	11.0	13.1	8.6
1997	5,700	3.9	3.3	4.5	7.7	8.3	7.1
1998	4,200	2.7	2.3	3.3	6.0	6.4	5.6
<i>Norway³⁾</i>							
1990	112,000	5.2	5.6	4.8	11.8	12.7	10.7
1995	107,000	4.9	5.2	4.6	11.8	12.2	11.5
1997	93,000	4.1	4.0	4.2	10.9	10.4	11.5
1998	74,000	3.2	3.2	3.3	9.3	9.1	9.4
<i>Sweden</i>							
1990	75,100	1.6	1.7	1.6	3.7	3.8	3.6
1995	333,000	7.7	8.5	6.9	15.3	16.7	14.0
1997	341,900	8.0	8.5	7.5	15.4	16.3	14.4
1998	275,900	6.5	6.9	6.0	11.9	12.9	10.7

1 The data are based on the labour-force surveys. By 'young men and women' the 15-24 year-olds are meant. The surveys in 1990 were conducted according to methods different from those used in other years, and the results are therefore not directly comparable.

2 15-24 year-olds; unemployment pensioners not included.

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 both men, women and young people of the ages 16-24 years.

Cash Benefits in the Event of Unemployment

– *All unemployed people are entitled to income-substituting benefits*

The actual extent of the unemployment cannot be measured merely by focusing on the number of unemployed people. The ways in which the individual countries have designed their labour market measures vary considerably in relation to active help (employment measures, etc.) and passive help (unemployment benefit and the like).

With the exception of Iceland, the activating measures amount to approximately one third of the total expenditure on labour market measures in the Nordic countries. In Iceland, the amount is about 10 per cent.

A special trait of the Nordic countries is that most unemployed people are entitled to cash benefits. In Norway, unemployment insurance is compulsory for wage earners; in Iceland, all wage earners and self-employed people are automatically insured against unemployment, and in Denmark, Finland and Sweden, unemployment insurance is voluntary. In those countries, non-insured people are, however, entitled to a cash benefit, which is usually lower than the unemployment benefit.

In Denmark, they are entitled to cash assistance (social assistance) if they meet certain requirements, whereas they in Finland and Sweden are entitled to a special labour-market benefit - in Sweden called basic insurance.

Unemployed people, who are not members of an unemployment insurance fund, are in Finland entitled to the basic amount of the daily cash benefits. People who have received income-related daily cash benefit or the basic amount for the maximum period of two years, and who are still unemployed, are paid a so-called labour-market assistance. This also applies to people entering the labour market for the first time.

With the exception of Iceland, the unemployment insurance schemes are financed by employer and Government contributions. In addition, membership contributions are payable to the unemployment insurance funds in Denmark, Finland and Sweden.

In Denmark, the unemployment benefit scheme is mainly financed through the labour-market contribution payable by all employed people. In Iceland, the laws were amended in 1996 to the effect that the unemployment benefit is now financed completely by employer contributions.

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The requirements for being entitled to benefits from an unemployment insurance fund vary 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 can receive unemployment benefit is five years, of which period one is entitled to and obliged to accept activation for the last three years. Members of unemployment benefit funds, who by the end of their active period have reached the age of 50 years and who, by continuing as members, would 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 years. 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 benefit 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, one must have been a member of an unemployment insurance fund for at least 10 months prior to becoming unemployed in order to be entitled to unemployment benefit. It is furthermore required that one must have worked for at least 43 weeks during the two previous years. The total benefit period is normally 500 days within four consecutive calendar years. Individuals who reach the age of 57 years 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 worked for at least 425 day-time hours during the past 12 months in order to be entitled to unemployment benefit. Unemployment benefit is payable for 260 working days, after which period payment will be discontinued for 16 weeks. After the 16 weeks, one will again become entitled to benefit for 12 months. Recipients may avoid such discontinuation if they have accepted job training or special employment offers for a duration of at least eight weeks during the past unemployment benefit period. Payment of unemployment benefit cannot exceed five years.

In Norway, a prerequisite for being entitled to unemployment benefit is that one has earned an income of NOK 56,713 during the last calendar year prior to becoming unemployed or has earned an average income from work during the past three years, amounting to NOK 45,370. The maximum benefit period varies according to the amount of the previous income. A previous income of at least NOK 90,740 results in a benefit period of 156

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Table 5.4 Rules applying to payment of cash benefit in the event of unemployment as per December 1998

	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	1,300 within 7 years (5 benefit days per week for 5 years) ²⁾	500 within 4 years ⁴⁾ (5 benefit days per week)	260	780 (156 weeks of 5 working days)	300/450 ⁶⁾
Benefit reobtainable?	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	Payment of unemployment benefit discontinued for 16 weeks	By complying with the requirement of minimum income	By complying again with the requirement of 6 months' work prior to unemployment
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	.	16-66 years	20-64 years
Maximum benefit period	.	.	.	.	300/450 ⁶⁾

1 Individuals between the ages of 18 and 65 years 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 50 years 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 years. Members who have turned 60 years are entitled to unemployment benefit for a maximum of 30 months.

3 Children under 18 years and people of 67 years and above may in certain cases be entitled to cash assistance.

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

5 Individuals under the age of 16 years are also entitled to unemployment benefit if the work requirement is met.

6 450 days for recipients over 57 years.

Table 5.5 Amount of cash benefit in the event of unemployment as per December 1998

	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: FIM 590 + child supplement: FIM 120-225 per week	Fixed amount + child supplement ⁵⁾	62.4 per cent of the calculation basis	80 per cent of the previous income from work 5 days per week
Maximum income per week for full compensation in national currency	DKK 3,302	.	.	NOK 5,235	SEK 3,675
Maximum income per week for full compensation in PPP-Euro	350	.	.	424	339
Min. amount per week in national currency	DKK 2,205	FIM 590	ISK 3,440	NOK 684	SEK 1,200
Min. amount per week in PPP-Euro	234	91	37	55	111
Max. amount per week in national currency	DKK 2,690	.	ISK 13,760 ⁶⁾	NOK 3,264	SEK 2,900
Max. amount per week in PPP-Euro	285	.	146	264	267
<i>Non-insured individuals</i>					
Amount of benefit per week	Young people under 25 years: DKK 507/1,036 ³⁾ ; others: DKK 1,615/2,150 + special assistance ⁴⁾	FIM 0-590 + child supplement: FIM 48-90	.	Means-tested social assistance	SEK 1,200

- 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 benefit of DKK 480 per day for the first and second days of unemployment.
- 3 Special benefits for young people under the age of 25 with no children living at home and with no previous income from work exceeding 60 per cent of the unemployment benefit for 18 months.
- 4 The total assistance may not exceed 90 per cent of any previous income and may after 12 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 18 years.
- 6 One must have been gainfully employed for at least 1,700 day-time hours within the past 12 months to be entitled to the maximum amount.

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weeks, whereas an earned income of less than NOK 90,740 qualifying one to unemployment benefit, results in a benefit period of 78 weeks. People 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 for all six months within a 12 months' period in order to become entitled to unemployment benefit (the so-called employment requirement).

The first period in which unemployment benefit is payable is based on previous, regular work. A re-qualification to a new unemployment benefit period may be obtained for activities comparable to work, as for example a labour-market education, a period of relief work, subsidized temporary employment, or a period in which one has received assistance to set up one's own business.

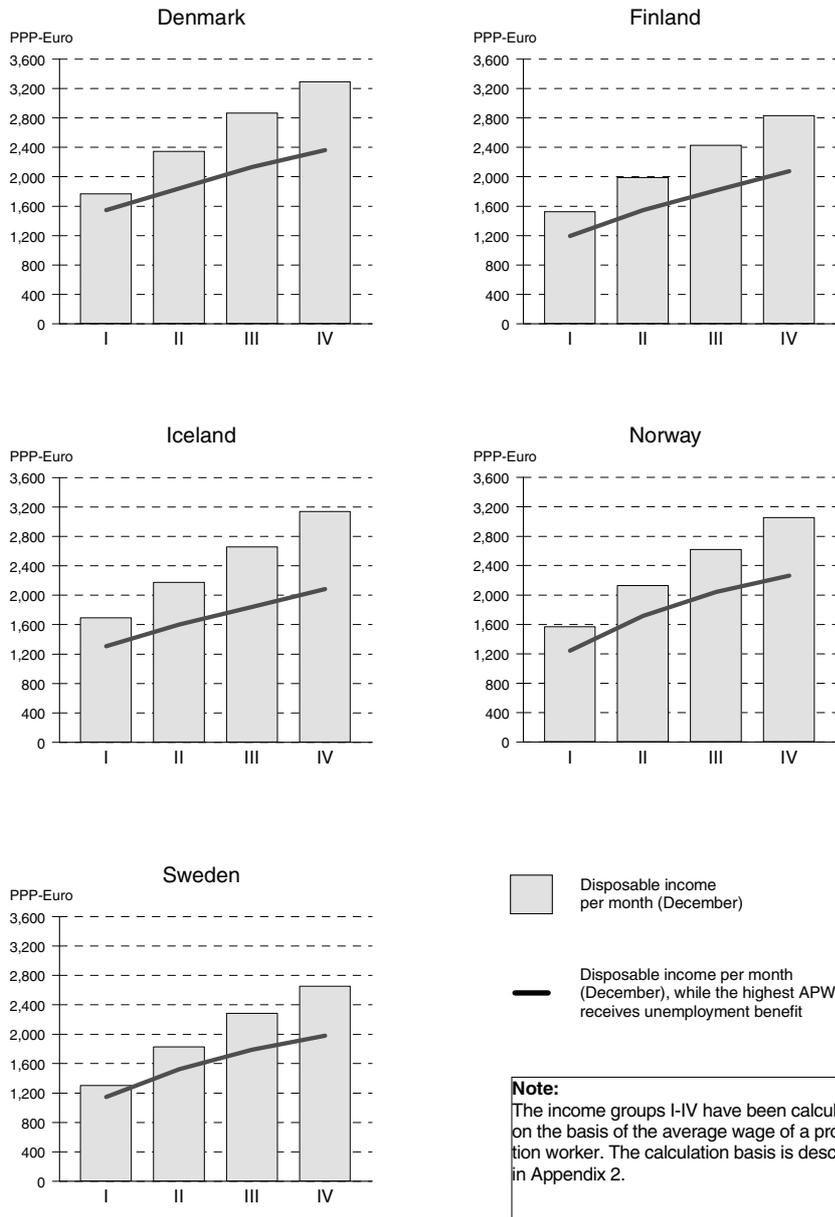
People under the age of 57 years are entitled to unemployment benefit for a maximum of 300 days. If a beneficiary is over the age of 57 years, unemployment benefit may be payable for 450 days. As from July 1997, the work requirement became more rigorous. As per 29 December 1997, the compensation was increased to 80 per cent of previous income from work. In 1998, a new, general and coherent unemployment insurance scheme was introduced. The new insurance consists of a basic insurance replacing the cash labour-market assistance, and a voluntary lapse-of-income insurance. In order to get daily cash benefits corresponding to 80 per cent of the previous income, one must have been a member of an unemployment insurance fund for 12 months. People who have not been members for 12 months will only be entitled to the basic insurance amount.

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, whereas Finland has seven and Sweden five qualifying days.

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. The 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 or without

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Figure 5.2 Disposable income for an insured childless couple, 1998



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Figure 5.3 Disposable income while receiving unemployment benefit as percentage of disposable income while being employed, 1998

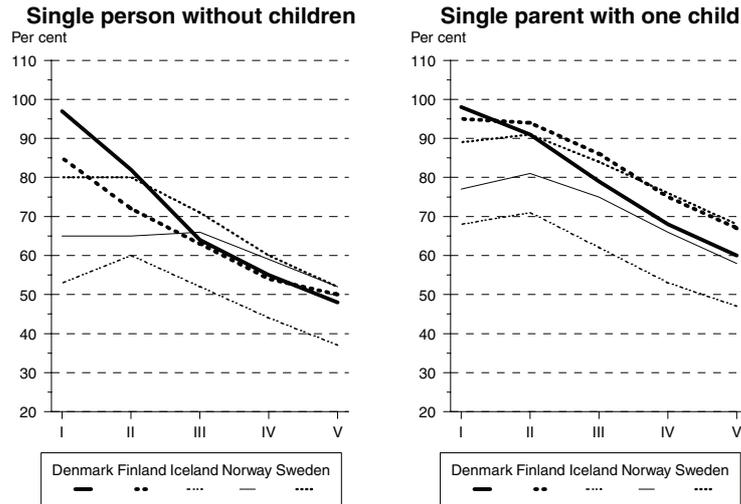
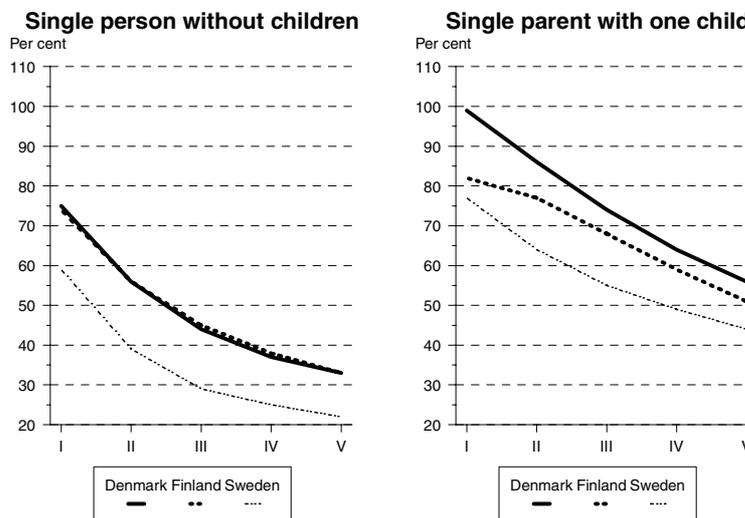


Figure 5.4 Disposable income for non-insured individuals as percentage of disposable income while being employed, 1998



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 Appendix 2.

children, 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 and Sweden).

As it appears from the figures, there are marked differences in the compensation levels for insured and non-insured people, respectively. This applies in particular to single people who have previously earned a high income and for single people without children. The compensation level for insured people depends first and foremost on the amount of the daily cash benefit in relation to previous income. This 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. This is highest in Denmark and lowest in Iceland. In Finland, there is no upper limit to the amount of daily cash benefits. In Sweden, the compensation-increase from level I to II is due to the way in which the basic allowance is calculated in the tax system.

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 benefit and charges payable for day care institutions are adjusted in relation to the amount of the 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. For the groups in the lowest income brackets, these factors result in the compensation level being lowest in Norway and highest in Denmark and Finland.

For couples, it is, however, highest in Sweden. For the upper income brackets, the compensation level is lowest in Iceland and highest in Sweden and Finland. In Denmark and Iceland, the compensation levels decrease steeply when going from the low income level to the higher levels.

In Table 5.3, the number of unemployed people is shown as an average at a number of given census times, while Table 5.6 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 length of the unemployment periods also varies from one country to another.

In Finland, a pension is payable to people in their sixties who have been unemployed. This benefit is calculated in the same way as is invalidity pension. In 1998, 49,389 people received unemployment pension of an average of FIM 5,486 per month. In Denmark, it is also possible to retire early from the labour market, cf. Chapter 7, but this is not depending on whether the person in question has been or is expected to become unemployed.

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Table 5.6 Number of people (1,000) who received cash benefits for at least one day in connection with unemployment, 1990-1998

	Denmark	Finland	Iceland ¹⁾	Norway ¹⁾	Sweden
<i>1990</i>					
Insured	621	171	11	303	262
Non-insured	116	126	..	-	36
Total	737	289	11	303	298
Total in per cent of the labour force	26	11	..	14	7
<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>1997</i>					
Insured	607	477	16	207	836
Non-insured	90	309	..	-	118
Total	697	753	16	207	954
Total in per cent of the labour force	25	30	11	9	22
<i>1998</i>					
Insured	569	421	12	163	742
Non-insured	88	323	..	..	91
Total	657	703	12	163	833
Total in per cent of the labour force	24	28	8	7	20

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

Cash Benefits in Connection with Job Training and Activation

– Activation is important

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 and Sweden. In Norway, the age limit depends on the measure in question.

In Denmark, the activation options 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 years 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.

As regards unemployed recipients of daily cash benefits, the entitlement to and obligation to accept activation has moreover been advanced in connection with a shortening of the total period of entitlement to daily cash benefit as from 1996. In 1998, this five-year period has been divided into a two-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 an activation offer in the shape of education, job training, etc., for a maximum of three years. During the daily cash benefit period, the activation is based on need and is flexible, partly aimed at groups at risk of becoming long-term unemployed, and partly as prevention of 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 years are entitled and obliged to accept an offer of employment or training for at least 30 hours a week for 18 months; however for people with an education/training qualifying them to work only for six months. Recipients of cash assistance of 30 years or more must be offered activation no later than 12 months after they have become unemployed.

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 improved and the possibilities of the young to get into the labour market are improved. Moreover, the 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 business 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

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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 benefit, to an increasing degree undertaken to grant subsidies to various courses for unemployed people and special municipal employment measures.

In Norway, responsibility for occupational rehabilitation rests with the labour market authorities. The aim is to ensure an overall follow-up on cash benefits and services to the unemployed. In addition, the labour market authorities offer unemployed people a number of measures in order better to qualify them for the needs of the labour market. The labour market measures must, however, not compete with the general offers of education and training.

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

The guiding activities managed by the employment service include i.a. information on vocational training and education as well as various activating measures such as job application activities.

People in need of occupational rehabilitation or special guidance may get help from a labour market institute. These institutes have special resources and qualifications within labour assessment, practical work orientation, adjustment of work places, etc.

When the recession set in at the beginning of the 1990s, vocational training was prevalent among labour market measures, but since 1992, focus has clearly shifted towards other cyclically dependant measures. These schemes include i.a. introduction to the work place which is to provide unemployed people looking for work via the employment service with vocational guidance, practice 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 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 a full-time activation programme for a period of less than 12 months. The activation programme must be individually adapted and include training or practice, or a combination of both.

Moreover, there are schemes concerning working life development, aimed at inducing unemployed people to return to the general labour market, as well

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Table 5.7 Number of activated people, 1998

	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
1997, total	248,421	39,066	100,387	12,566	3.6	2.8
1998, total	252,921	36,361	100,344	11,580	3.6	2.7
Of whom:						
- Subsidized employment	106,699	23,288	46,052	6,680	1.7	1.5
- Education and training	152,482	11,782	49,164	3,629	1.8	0.8
- Other	23,876	7,431	5,128	1,271	0.2	0.3
<i>Finland</i>						
1995, total	285,575	82,217	103,667	25,973	4.2	9.9
1997, total	310,809	94,788	120,127	30,102	4.8	10.6
1998, total	288,413	85,385	109,308	26,083	4.4	8.8
Of whom:						
- Subsidized employment	156,952	32,943	57,018	11,919	2.3	4.0
- Labour market training	85,298	13,203	41,444	5,730	1.6	1.9
- Labour market support	46,163	39,239	10,846	8,434	0.4	2.8
<i>Iceland</i>						
1995, total	..	..	..	..	..	..
1997, total	..	..	4,150	989	2.8	4.1
1998, total	..	..	2,565	568	1.7	2.1
Of whom:						
- Subsidized employment	..	..	..	..	..	..
- Labour market training	..	..	..	..	..	..
- Wage subsidies to employers	..	..	67	35	-	0.1
<i>Norway</i>						
1995, total	..	..	48,618	19,106	2.2	6.4
1997, total	..	..	25,256	9,131	1.1	2.9
1998, total	..	..	14,657	4,889	0.6	1.5
Of whom:						
- Public employment measures	..	..	..	..	..	..
- Wage subsidies to employers	..	..	..	..	..	..
- Education measures	..	..	..	..	..	..
<i>Sweden</i>						
1995, total	781,000	..	275,100	..	6.1	..
1997, total	873,873	..	246,681	..	5.8	..
1998, total	715,247	..	226,885	..	5.3	..
Of whom:						
- Labour market measures	645,823	..	171,911	..	4.0	..
- Subsidized employment	61,135	..	49,031	..	1.2	..
- Sheltered employment with public employer	8,289	..	5,943	..	0.1	..

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as recruitment support to employers aimed at stimulating them to hire an unemployed person by covering his expenses in connection with the employment of a person who needs extended introduction or training. In addition, people who are unemployed or are at risk of becoming unemployed may in some cases be granted a subsidy to start their own business.

For people with reduced working capacity, there are measures 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 in the shape 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, with the exception of Iceland where it is run by the local authorities, but on 1 July 1997, the State took over the job service.

In all five countries, job provision is free of charge for 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.

There are considerable differences from one country to another as to how many vacant positions are registered with the employment service. 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 percentage of the labour force, 1990-1998

	Denmark		Finland		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
1990	112	4	341	13	237	11	650	14
1995	117	4	170	7	276	13	339	8
1997	95	3	242	10	391	18	324	8
1998	97	3	255	10	472	21	413	10

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. These costs have not been included as social expenditure in this report. Sweden, being the country with the second highest unemployment rate, spends almost the same amount as Finland. The high expenditure in Denmark is due partly to the amount of the daily cash benefit, partly the extent of the activation/job training. Iceland has the lowest unemployment rate, followed by Norway, which also reflects low costs.

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Table 5.9 Expenditure on and financing of cash benefits and services in connection with unemployment, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Unemployment benefit	19,574	15,421	2,272	5,268	34,827
B. Partial unemployment benefit	-	213	-	164	-
C. Pension for labour market reasons	-	2,986	-	-	2,203
D. Cash benefits payable during vocational training	17,428	1,214	162	-	12,733
E. Compensating benefits	-	95	-	-	614
F. Other	36	-	-	-	-
Cash benefits, total	37,038	19,929	2,434	5,432	50,417
<i>Services, million KR/FIM</i>					
A. Mobility and resettlement	-	10	-	2	308
B. Vocational training	-	1,201	-	1,554	4,267
C. Other	2,588	748	329	1,939	2,810
a. Of which employment services	985	748	329	1,891	2,750
Services, total	2,588	1,959	329	3,496	7,385
Total expenditure, million KR/FIM	39,626	21,888	2,764	8,928	57,802
Expenditure as percentage of GDP	3.4	3.2	0.5	0.8	3.1
<i>Financed by (per cent)</i>					
- Public authorities	23.6	54.0	9.8	57.4	27.7
- Employers	2.3	31.6	90.2	24.5	68.1
- The insured (contributions and special taxes)	74.0	14.4	-	18.1	4.2
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	-2,770	-2,594	-341	-2,749	-4,338
- Per cent	-6.5	-10.6	-11.0	-30.3	-7.0

Table 5.10 Expenditure on cash benefits and services in connection with unemployment in PPP/capita 1998

	Denmark	Finland	Iceland	Norway	Sweden
Cash benefits, total	740	556	94	99	525
Services, total	52	55	13	64	77
Unemployment, total	792	611	107	163	602

The development in the expenditure on unemployment from 1997 to 1998

In Denmark, the expenditure on unemployment benefits continued falling from 1997 to 1998 as a result of the decline in the unemployment rate. The average number of daily cash benefit recipients dropped from 183,000 in 1997 to 147,000 in 1998. On the other hand, the expenditure on activation increased from 1997 to 1998.

In Finland, the costs of combating the unemployment decreased by FIM 2.6 billion due to the drop in the unemployment rate. The largest drop took place in the income-related daily cash benefits, whereas the expenditure on unemployment pension increased, just as the did the expenditure on labour-market support.

In Iceland, the expenditure on unemployment declined from 1997 to 1998. This was mainly due to a decrease of 19.4 per cent in the payments of unemployment benefit. The expenditure on the employment services, however, continues to increase as in previous years and is twice as high in 1998 as in 1997. This is due to the State being in the process of taking over the employment service.

In Norway, the expenditure on unemployment continues to decrease, and from 1997 to 1998, the drop was almost 25 per cent. The unemployment rate decreased by 0.9 percentage points to 3.2 from 1997 to 1998.

In Sweden, the drop in the unemployment rate has reduced the expenditure on cash benefits to unemployed people.

Chapter 6

Illness

The degree of the total social expenditure in relation to the expenditure on illness varies considerable. The expenditure on illness is almost twice as high in Iceland and Ireland as in Denmark, which is the country spending the least.

Table 6.1 Expenditure in connection with illness as percentages of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	18.1	Austria	25.8	Italy	23.2
Finland	21.9	Belgium	24.0	Luxembourg	24.9
Iceland	37.9	France	28.8	The Netherlands	30.8
Norway	29.1	Germany	28.1	Portugal	33.3
Sweden	22.5	Greece	25.2	Spain	28.8
		Ireland	35.8	United Kingdom	26.1

Note: See Table 4.1.

Paid Absence in Connection with Illness

– *Everyone in gainful employment is in principle entitled to daily cash benefits in case of illness*

The structures of the wage and daily-cash benefit schemes vary considerably from one country to another. In Denmark, public-sector employees and some private-sector employees will be paid in full during illness according to collective agreements. In Iceland, wages payable during illness, as well as the supplementary daily cash benefit schemes of the unions, form the all-important part of the general daily cash benefit scheme. After one year of employment with one employer, an employee is entitled to one month's pay in the event of illness. The

majority of employees have a statutory right, or a right deriving from collective agreements, to receive wages for a fairly long period of time. When entitlement to pay during illness ceases, supplementary daily cash benefits may be payable in addition to the public sickness benefit scheme. The public daily cash benefit consists of a fixed amount per day, irrespective of any previous income, and this amount is rather small. In accordance with the Act on *Employment Contracts*, employers in Finland pay in full for the first day of illness and the subsequent seven working days. Usually, it has been agreed in the collective agreements for the individual business sectors that wages shall be paid in full for a fairly long period as for example one or two months. An employer may also, after some time, pay part of the full pay. In Norway, daily cash benefits are paid through the National Social Security Fund. Absence due to illness entitles a person to sickness benefit if he has been employed for at least 14 days and has an income from work of at least half of the basic amount payable by the National Social Security Fund, corresponding to NOK 22,685 per year.

Entitlement to sickness benefit is in Denmark, Finland and Norway based on a so-called accumulation period which is three months. A similar scheme does not exist in Iceland or Sweden.

In several of the countries, self-employed people can take out an insurance entitling them to sickness benefit in case of illness.

In all the countries, sickness benefits are regarded as taxable income.

Table 6.2 Rules governing payment of cash assistance to employees in connection with illness as per December 1998

	Denmark	Finland	Norway	Sweden
Employer period?	Yes	No ²⁾	Yes	Yes
Duration of employer period	2 weeks for private employers	–	2 weeks	2 weeks ³⁾
Qualifying period?	–	9 days	–	1 day
Maximum period of sickness benefit /sick pay	52 weeks ¹⁾	52 weeks	52 weeks	No time limit

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. In addition, a benefit period may be prolonged by 2×26 weeks in case of serious illness or industrial injury.

2 According to collective agreements, employers pay full or partial wages for 1-3 months during illness. During that period, the benefit will be paid to the employer.

3 During the employer period, there is a qualifying period of one day.

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In Sweden, there is a qualifying period of one day prior to sickness benefit becoming payable. In Finland, the qualifying period is nine working days, whereas the Icelandic public insurance scheme operates with a qualifying period of 21 days. If the sickness period lasts for 21 days or more, sickness benefit shall, however, be payable from the 15th day.

Most wage earners are, however, entitled to their usual pay during this period. In Denmark and Norway, there is no qualifying period.

In several of the countries, a so-called employer period has been introduced, during which employers pay wages or sickness benefit during the first weeks of absence due to illness. In Denmark and Sweden, employers pay sickness benefit for the first two weeks of a period of illness. In Norway, this period was prolonged from 14 to 16 days as from 1 April 1998. In

Table 6.3 Amount of cash assistance payable to employees in connection with illness as per December 1998

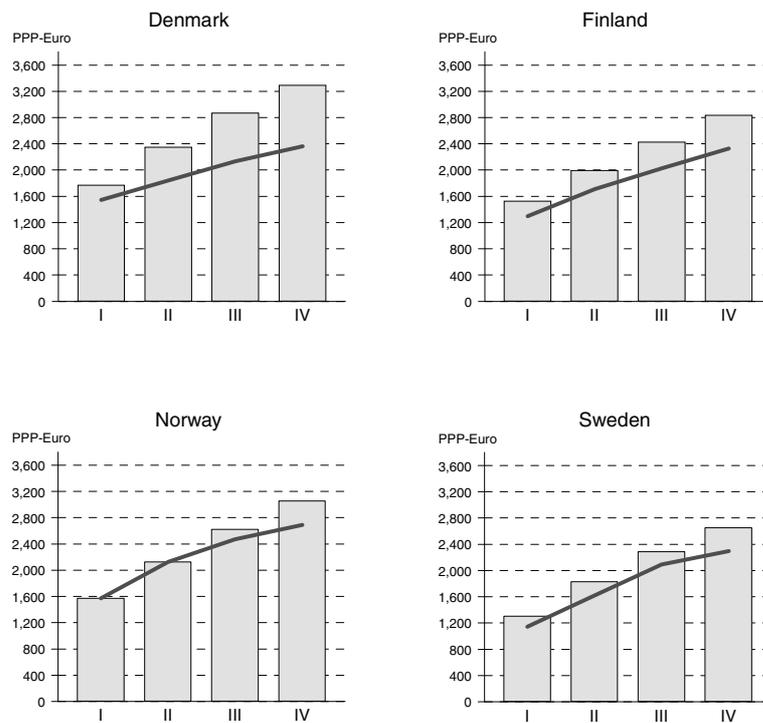
	Denmark	Finland	Norway	Sweden
Amount of sickness benefit as percentage of income from work	100 per cent	Normally 70 per cent	100 per cent	80 per cent
Maximum income per week for full compensation in national currency ¹⁾	DKK 2,971	.	NOK 5,235	SEK 5,250
Maximum income per week for full compensation in PPP-Euro ¹⁾	315	.	424	484
Min. amount per week in national currency	.	.	NOK 436	SEK 133
Min. amount per week in PPP-Euro	.	.	41	8
Max. amount per week in national currency	DKK 2,688 ²⁾	.	NOK 5,235	SEK 4,186
Max. amount per week in PPP-Euro	285	.	424	386
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 Public-sector employees and some private-sector employees are, according to general agreement, entitled to full pay during illness, some private-sector employees, however, for the first couple of weeks only.

Sweden, the employer period was prolonged to four weeks for the period 1 January 1997 to 1 March 1998. Public employers in Denmark and Norway pay wages for the entire period in which an employee is absent due to illness. In Denmark, employers are obliged to pay compensation during the employer period, either in the shape of daily cash benefits or wages. In Norway, all employers pay full wage compensation for incomes of up to NOK 272,220 per year. In Sweden, an amount (sick pay) corresponding to 80 per cent of the income from work is payable after a deduction of 20 per cent of the income from work. In Finland, there is no official employer period, but most employers pay full wages in the event of short-term illness.

Figure 6.1 Disposable income for a childless couple, 1998



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 Appendix 2.

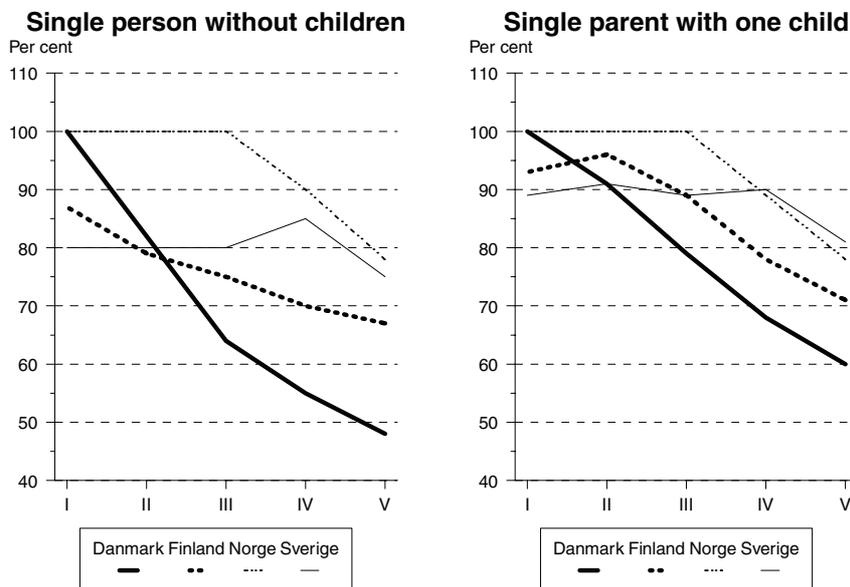
■ Disposable income per month (December)
— Disposable income per month (December), while the highest APW receives sickness benefit

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Figure 6.1 shows the disposable income at four different income levels for a childless couple, partly where both are employed, and partly 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 benefit in per cent of the disposable income from work.

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, 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 Sweden. The differences depend partly on the amount of the daily cash benefit 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 – Norway. In addition, it is significant that Finland has no upper limit to the amount of the daily cash benefits.

Figure 6.2 Disposable income while receiving sickness benefit as percent-age of disposable income from work, 1998



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 Appendix 2.

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The higher compensation levels in Denmark and Finland for single parents with one child in relation to single people with no children are mainly due to the fact that payment for 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.

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. In 1998, there was a slight increase in the absence due to illness in Sweden. Norway has the most absence which was due to increased employment and a decrease in the unemployment rate.

Table 6.4 Calculated absence due to illness for at least one week among employees as percentage of all employees, 1990-1998¹⁾

	Denmark	Finland	Iceland	Norway	Sweden
<i>1990</i>					
Men	1.5	2.2	1.1 ²⁾	2.7	3.7
Women	2.2	2.6	1.9 ²⁾	3.5	5.4
Total	1.8	2.4	1.5 ²⁾	3.1	4.5
<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>1997</i>					
Men	1.3	2.0	1.3	2.6	1.8
Women	1.8	2.2	2.0	3.9	3.1
Total	1.5	2.1	1.7	3.2	2.4
<i>1998</i>					
Men	1.4	1.9	0.9	2.7	2.1
Women	1.6	2.3	1.6	3.9	3.6
Total	1.5	2.1	1.2	3.2	2.8

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

2 Refers to 1991.

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Table 6.5 Number of sickness benefit periods of at least 15 days (per cent), 1998

	Denmark	Finland	Norway	Sweden
<i>Duration (days)</i>				
15-21	24.1	29.1	23.3	19.4
22-29	12.9	18.5	12.0	16.6
30-59	23.4	28.6	24.7	27.8
60-89	10.1	8.6	11.8	11.3
90-119	5.8	3.8	6.5	6.1
120-149	3.5	2.2	4.2	3.6
150-179	2.5	1.4	3.0	2.4
180-359	8.6	6.4	9.4	6.7
360+	9.1	1.4	5.0	6.1
Total	100.0	100.0	100.0	100.0

There are certain differences between the countries as regards the pattern of long-term absence due to illness (for more than two weeks). 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 as to for how long sickness benefit is payable, and consequently the benefit may be payable for more than one year of illness. In some cases, this may also occur in Denmark. The 5 per cent in Norway of over 360 days also cover people who are ill for more than a year (365 days). They are not entitled to sickness benefit for more than one year, but will be paid rehabilitation benefit.

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 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 which varies somewhat from one country to another.

In Denmark, Finland, Norway and Sweden, the local and/or county authorities are responsible for the organization of the health sectors, while it in Iceland is Central Government.

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. It can be supplemented by voluntary schemes which may be preventive measures or general treatment of illness, subsidized by the sickness insurance scheme.

Hospitals

– *The hospital service is mainly a public issue*

In all the Nordic countries, there are general hospitals with out-patient 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. It is, however, a general trend that the length of hospitalization becomes still shorter, and that more and more patients are treated at the out-patient clinics.

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

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Table 6.6 Discharges and average length of hospitalization in somatic wards, 1990-1998

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden
<i>Number of discharges from somatic hospital wards per 1,000 inhabitants</i>					
1990	193	180	166	155	170
1995	190	193	178	145	167
1997	190	208	..	148	162
1998	191	206	..	152	147
<i>Average hospitalization (days) in somatic wards</i>					
1990	6.7	7.2	7.6	7.1	7.5
1995	6.1	5.6	6.3	6.7	6.1
1997	5.9	5.0	..	6.1	5.6
1998	5.8	4.6	..	6.2	5.7

Source: *Health Statistics in the Nordic Countries* concerning the years 1990, 1995, 1997 and 1998. Finland: STAKES (1990, 1995, 1997 and 1998).

1 Figures for 1995 refer to 1994.

Medical Treatment, Etc.

– *Preventive measures and general medical treatment take 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 agreement 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 about 20 per cent of the general medical treatment in Sweden are performed by self-employed general practitioners. About 20 per cent of the general medical treatment as well as treatment by specialists are in Finland performed by self-employed doctors. The remaining part is performed at public health centres by doctors employed by the public authorities.

In Finland and Iceland, health centres 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 exist to a certain degree in all the countries, e.g. to detect breast cancer, etc. In Finland, these tasks are performed by the health centres.

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

Dental Treatment

– Dental treatment free of charge for children and youth

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.

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 where Finland spends least and Norway most.

In respect of expenditure on paid absence due to illness, Norway spends approximately twice as much as the other Nordic countries measured in PPP per capita. This is mainly due to the amount of the cash benefit (cf. Table 6.3), but the low unemployment rate also has some influence on the absence due to illness.

As regards expenditure on services (medical treatment), they are 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 treatment of the elderly and the disabled which is organized in somewhat different ways in the various countries.

Development in the social expenditure on illness from 1997 to 1998

In Denmark, there has been a decrease in the estimated expenditure on sickness benefit payable during the employer period. The expenditure on services in the health sector has increased, including both the hospital sector, medicine, home nursing and municipal health schemes for children and young people.

In Finland, the expenditure on illness increased by about FIM 1 billion which is mainly due to the fact that the need for care and treatment has increased at the same time as new cost-consuming forms of treatment have been introduced. In spite of the increase in the health expenditure, this is now at the same level as before the recession in the Finnish economy.

In Iceland, the social expenditure on illness increased by about 11 per cent from 1997 to 1998. The increase in cash benefits was 5.2 per cent, while it was 12.4 per cent in services. This increase is first and foremost ex-

plained by a high pay increase, mainly within the public sector and in the specialized medical treatment in the hospitals.

In Norway, cash benefits in connection with illness increased by nearly 13 per cent from 1997 to 1998. This increase must be seen in relation to the increased employment rate. The number of days, in which sickness benefits were paid, increased from 10.5 days in 1997 to 11.1 days in 1998. The expenditure on services also increased by about 13 per cent.

In Sweden, the expenditure on sickness insurance increased considerably due to more absence due to illness. The expenditure on short-term illness, payable by the employers, also increased.

Table 6.7 Expenditure on and financing of cash benefits and services in connection with illness, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Paid sick leave	10,792	7,951	7,664	29,956	31,701
Of which:					
a. General sickness benefit	7,392	2,509	451	16,600	18,609
b. Daily cash benefits in employer period	3,400	4,700	6,979	13,356	9,400
c. Special insurance in the event of industrial injury or occupational disease	-	584	233	0,0	3,614
B. Other	408	-	-	-	42
Cash benefits, total	11,200	7,951	7,664	29,956	31,743
<i>Services, million KR/FIM</i>					
Services, total	54,311	33,328	32,443	68,411	110,573
Total expenditure, million KR/FIM	65,511	41,279	40,107	98,367	142,316
Expenditure as percentage of GDP	5.6	6.0	6.8	8.9	7.5
<i>Financed by (per cent)</i>					
- Public authorities	86.8	65.5	80.6	64.3	69.6
- Employers	5.4	23.0	19.4	26.3	29.9
- Insured (contributions and special taxes)	7.8	11.5	0.0	9.4	0.5
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	2,016	990	3,955	9,372	11,627
- Per cent	3.2	2.5	10.9	10.5	8.9

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Table 6.8 Expenditure on cash benefits and services in connection with illness in PPP/capita 1998

	Denmark	Finland	Iceland	Norway	Sweden
Cash benefits, total	224	221	277	547	331
Services, total	1,085	929	1,099	1,249	1,151
Illness, total	1,309	1,150	1,376	1,796	1,482

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 exempt from paying. In Denmark, there are no such rules.

Maximum user charges

In Finland, the sickness insurance fund covers the amount of the total amount of user charges payable for medicine exceeding FIM 3,240 per year and the costs for transport in connection with treatment exceeding FIM 900 per year.

In Iceland, the maximum user charge payable per year is ISK 12,000 for people in the age group 16-66 years, and for children under 16 years, the maximum user payment is ISK 6,000. For pensioners between 67 and 69 years receiving full basic pension, as well as 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 is ISK 3,000. When a patient has reached 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 user charges payable by people in the age group 16-66 years for pharmaceutical products are 36 per cent, up to a ceiling of NOK 330 per prescription. For other age groups and for anticipatory pensioners, user charges are 12 per cent per prescription up to a ceiling of NOK 110. The National Insurance Administration reimburses the remaining amount. In 1998, the social security scheme financed 54.3 per cent of all pharmaceutical products, the hospitals 13.9 per cent and the patients 32.5 per cent.

In Sweden, there is a maximum user charge per year for general medical treatment of SEK 900 and another maximum user charge for medicine of SEK 1,300.

In case one or both parents jointly have several children under 18 years, these children are exempt 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. In Finland, the amount will amount to a maximum of FIM 100 per year or FIM 50 for the first three treatments in an out-patient clinic in the primary health sector. For temporary home nursing, FIM 50 is payable per visit by a doctor and FIM 30 per visit by a nurse. For continuous care in the home, an amount is payable which depends partly on the extent of the care and partly on a patient's financial situation. In Iceland, a maximum of ISK 12,000 is, as mentioned above, payable for medical treatment, but home nursing is free of charge. In Norway user charges payable for medical visits vary. In connection with visits to a general practitioner and for visits to an emergency medical service, user charges are NOK 102, whereas they are NOK 140 for treatment by a specialist. User charges for home nursing were abolished as from 1998. In Sweden, user charges vary from one county to another from SEK 60 to SEK 260. For medical treatment and for visits to a physiotherapist, psychologist, chiropractor, etc., user charges are between SEK 60 to SEK 100. Usually, user charges are highest in connection with visits to a specialist (from SEK 120 to SEK 260), but visits to general practitioners cost between SEK 60 and SEK 120.

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 pay all costs for treatment themselves, or are reimbursed a small part of these costs. In Denmark, patients' payments amounted in 1998 to about 61 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, people born in 1956 or later are entitled to a supplement of about 50 per cent for dental treatment and subsidies of 75 per cent for examinations and preventive treatment. In Iceland, people over 67 years, as well as disabled people, are refunded between 50 and 100 per cent of the expenses, depending on their incomes.

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Medicine

In Denmark, patients' share of the costs for medicine, including over-the-counter products, amounted to about 41 per cent in 1998. The National Health Insurance Service (the counties) financed about 53 per cent and the municipalities financed the remaining 6 per cent of the expenses. In Finland, user charges amounted to about 60 per cent of medicine with basis reimbursement. For specially subsidized medicine, patients pay 30 per cent or 4 per cent. In Iceland, user charges are calculated to be about 35 per cent, but pharmacies may grant a number of discounts, for which reason the actual amount of user charges cannot be calculated. In Norway, user charges for medication with reimbursement were in 1998 12 per cent of the amount remaining up to NOK 110 for old-age and anticipatory pensioners and young people under 16 years. For the remaining part of the population, user charges were 36 per cent of the prescription amount up to NOK 330. People who had incurred medicine costs of more than NOK 1,290 during a calendar year were reimbursed completely for the remaining amount. The ceiling for user payment per prescription and for the total amount of user payment resulted in the patients' actual user payment for pharmaceuticals being 10 per cent. In Sweden, user charges amounted to 21 per cent of the expenses.

Hospitalization

In Denmark, Iceland and Norway, hospitalization is free of charge. In Finland, a maximum of FIM 125 per day is payable for short-term hospitalization and FIM 70 per day for hospitalization in psychiatric wards. 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

The Structure of this Chapter

While the other chapters have followed the chapter structure of ESSPROS, the descriptions of elderly and disabled people 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. As mentioned in Chapter 2, the expenditure on home nursing was, where possible, moved from this chapter to the chapter on illness in order to obtain a more homogenous statement. As to Sweden, it has only been partly possible to separate home nursing from the rest.

The structure of this chapter is as follows: first, a description is given of the 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 and the disabled, respectively, and to survivors. 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

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 proportion 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.

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Table 7.1 Expenditure on the elderly, the disabled and survivors as percentage of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	50.2	Austria	56.7	Italy	71.4
Finland	48.6	Belgium	51.7	Luxembourg	56.6
Iceland	41.2	France	48.8	The Netherlands	42.8
Norway	49.6	Germany	49.3	Portugal	55.5
Sweden	41.3	Greece	57.5	Spain	53.9
		Ireland	29.9	United Kingdom	52.9

Note: See Table 4.1.

What is important in relation to the expenditure on the elderly and the disabled is mainly the question of for how long 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 years in 1998, and Figures 7.2 and 7.3 show the development in the employment for 60 and 64 year-old men and women, respectively, for the period 1990-1998.

As it appears from Figure 7.1, men have generally a higher employment rate 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 between the countries. Both in respect of men and women, the highest employment rate is found in Iceland, and the lowest in Finland, with Sweden in between. The explanations of the differences between the countries are mainly to be found in the various 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 working life with public income-substituting benefits.

Early retirement from the labour market is most common in Denmark and Finland. Those two countries partly have the most comprehensive public retirement schemes, partly has the unemployment rate been relatively high for a long period of time. Early retirement is least common in Norway and especially 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 difference between the countries in the employment rate for the 60 and 64 year-old men and women. While there in 1998 were less than 30 per cent men in employment in Finland, the employment rate

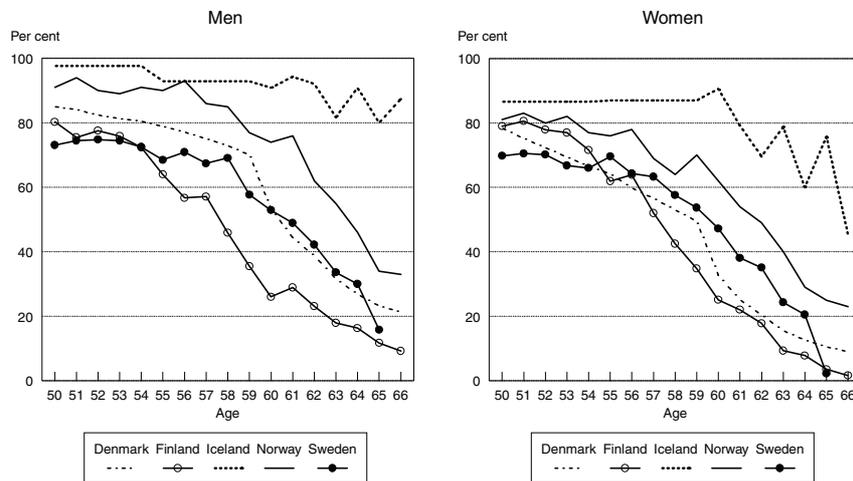
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was over 80 per cent in Iceland, over 70 per cent in Norway and about 60 per cent in Denmark and Sweden. The pattern is seen as regards 64 year-old men, but the employment rate is less than 20 in Finland and less than 30 in Denmark.

As regards 60 year-old women, the participation rate is very low both in Denmark (less than 40 per cent) and Finland (less than 30 per cent), whereas it is very high in Iceland (over 70 per cent) and partly also in Norway and Sweden (about 60 per cent). The employment rates for the 64 year-old women show a similar pattern, only at a considerably lower level in all the countries.

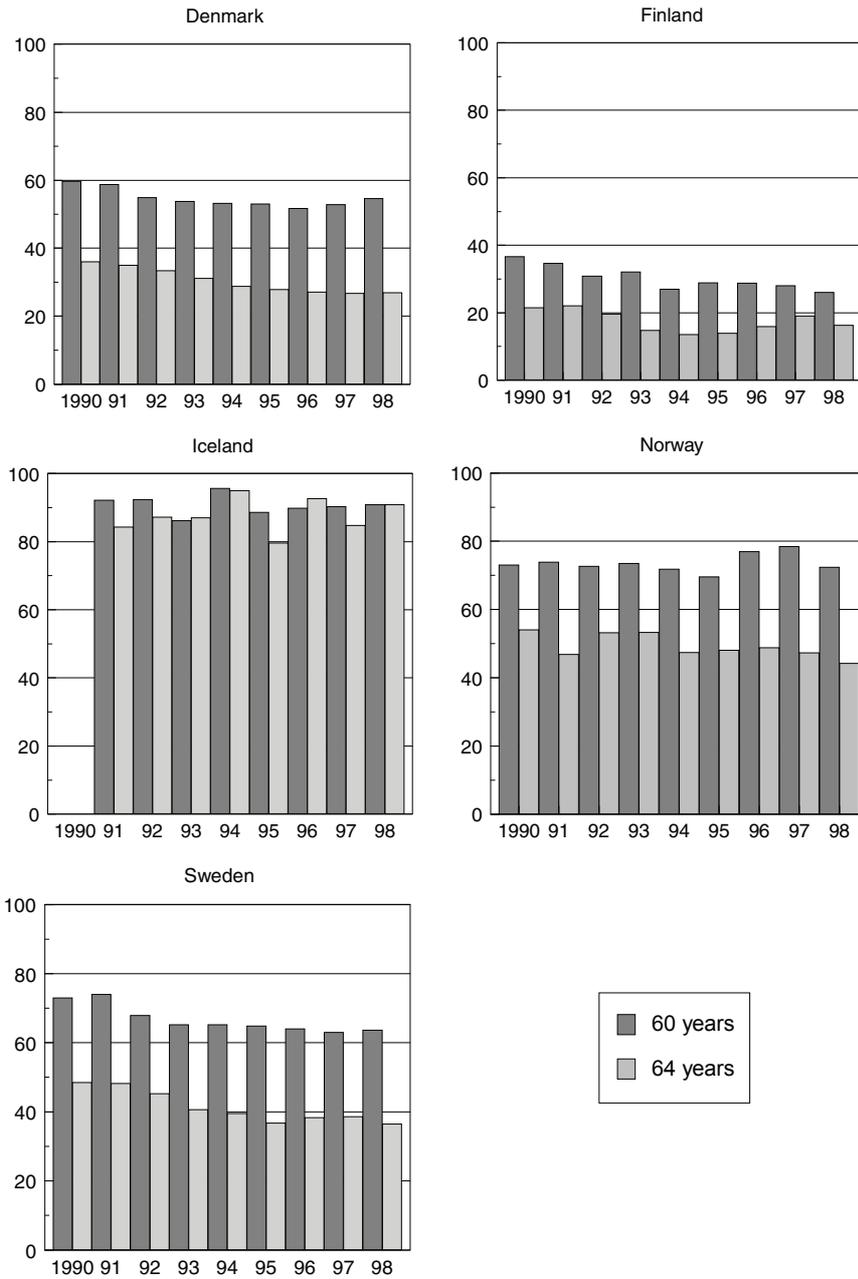
The development during that same period also varies among the countries. While there was a decline in the employment rate for men in Denmark and Sweden up to the middle of the 1990s, recent years have seen an increase. In Finland, the employment rate for men has, however, generally been declining. In Norway and Iceland, the employment has by and large remained the same during the period in question. As regards women, recent years have seen an increase in the employment rate for the 60 year-olds in Denmark and Norway, while the employment rate for the 64 year-olds has been decreasing in general in all the countries.

Figure 7.1 People in gainful employment as percentage of the population, broken down by age and sex, 1998



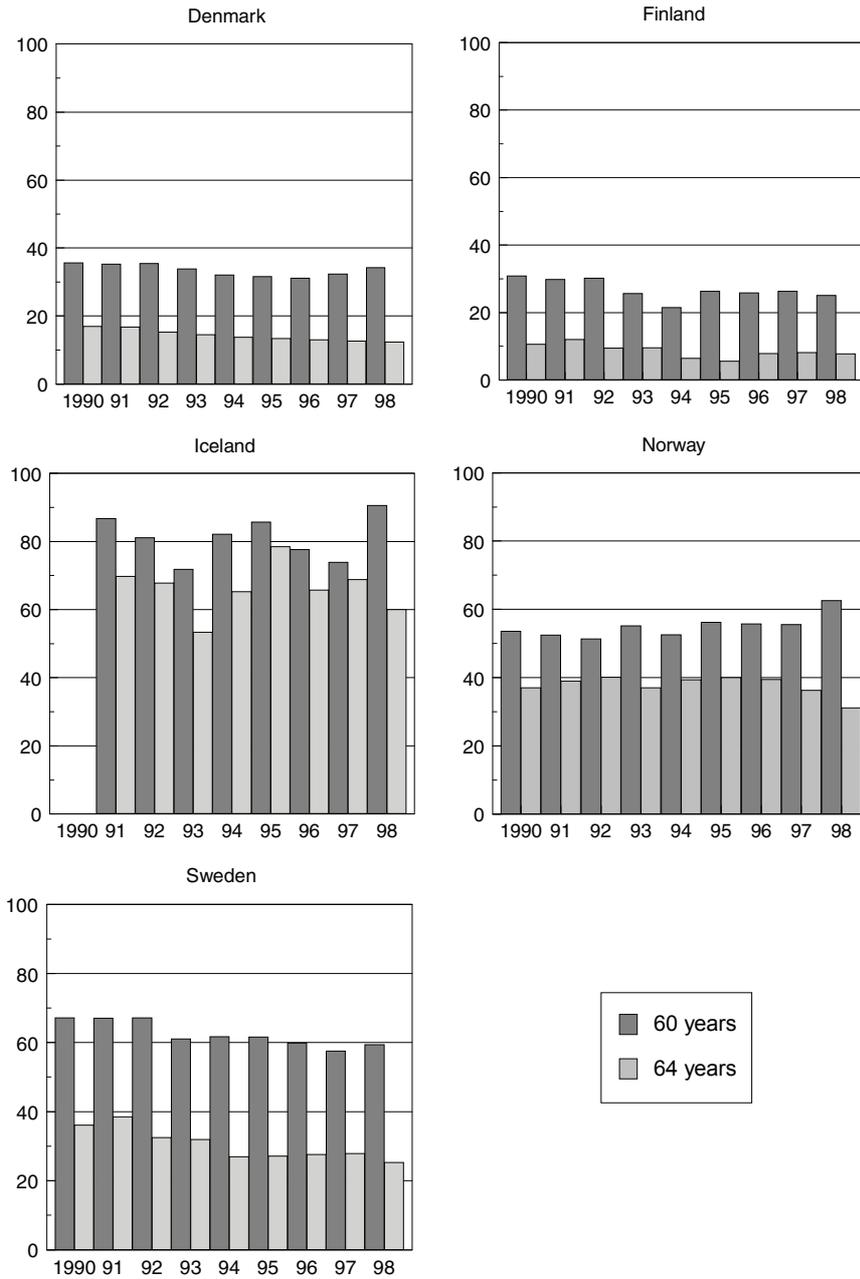
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**Figure 7.2 Percentage of employed people among 60 and 64 year-old men.
Per cent 1990-1998**



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Figure 7.3 Percentage of employed people among 60 and 64 year-old women. Per cent 1990-1998



Pensioners' Income

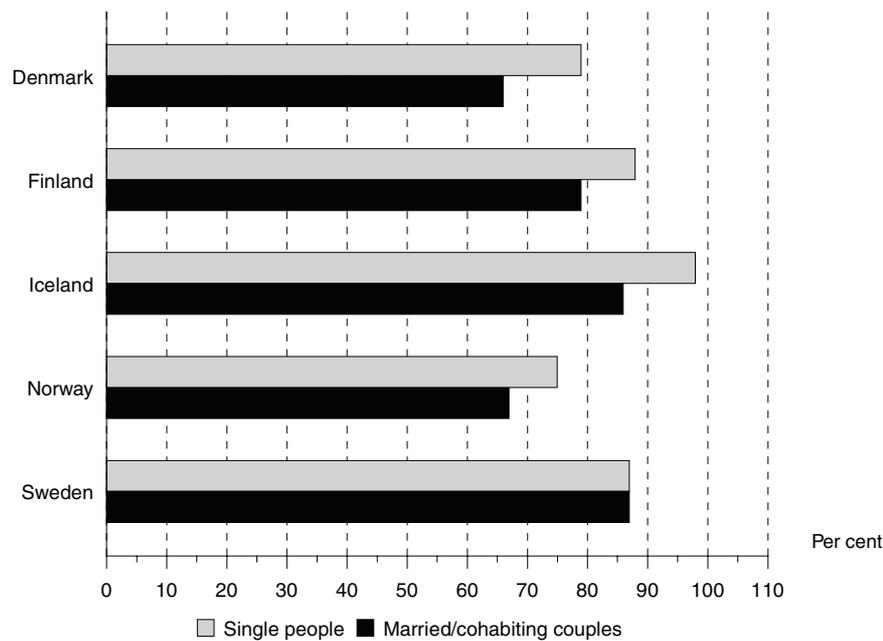
Figure 7.4 shows the disposable income for families, where the key person, i.e. the person earning the most, is over 65/67 years, as a percentage of the disposable income for single people and couples less than 65/67 years. As in the other chapters, equivalent incomes have been used. The disposable income is the factor income plus social cash benefits less tax. As mentioned earlier, a different family definition is used in Iceland, and the result in Figure 7.1 is consequently different.

As can be seen from the figure, families over 65/67 years have a lower average disposable income in all the countries than have families less than 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 (cf. Chapter 2). Besides, the actual pensionable age is very high in Iceland.

With the exception of Sweden, single people over 65/67 years have a relatively higher disposable income than have couples. This is a result of the pension systems in the Nordic countries paying a relatively high compensation to single people in relation to previous income, cf. Figure 7.4. In addition, there are more young single people with a relatively low income than there are 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 Norway. For couples, the difference is most significant in Denmark and least so in Sweden. This is due to the employment pension being relatively small in Denmark in particular in relation to the extended employment pension schemes in Sweden. 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 great differences in the statutory employment pension schemes.

Figure 7.4 Disposable incomes for single people and couples over 65/67 years as percentage of disposable income for single people and couples under 65/67 years, 1997



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

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sion 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 spouse and children. In Denmark, a surviving spouse is in certain cases entitled to the basic ordinary anticipatory pension (special old-age pension). In all the countries, a pension is payable to children, in Denmark, however, in the shape of a special child allowance.

Pension Structures

While there are differences in both the pension and financing forms, in many years it has been a common feature of all the Nordic countries that the pensions consist of three parts:

- a. A statutory basic pension payable to everyone, irrespective of previous income.
- b. A statutory employment-related pension (employment pension)- previously called supplementary pension in this publication - in Denmark called Labour Market Supplementary pension and in Norway and Sweden called supplementary pension, payable to gainfully employed people, where the pension amount is based on previous income from work and on premiums and payments of the insured and their employers.
- c. Supplementary pensions - previously called additional pension in this publication- established by law or by agreements between employers and employees.

During recent years, the development has, however, resulted in this division no longer applying in all the Nordic countries. Some reforms have been implemented, and others are about to be.

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

In Finland, the basic pension is proportional to the statutory earnings-related pension (employment pension), and as the employment pension reaches a certain limit no basic pension is paid at all. In the new Swedish

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system the basic pension is called a guarantee pension and it is also proportional to the statutory earnings-related pension (employment pension).

Table 7.2 Pension recipients by type of pension, 1998¹⁾

	Denmark	Finland	Iceland ²⁾	Norway ²⁾	Sweden
<i>Recipients of:</i>					
Basic pension/ guaranteed minimum pension	All people resident in the country for at least 3 years	All people resident in the country for at least 3 years	All people resident in the country for at least 3 years	All people resident in the country for at least 3 years	All people resident in the country for at least 3 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 identical. 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 years in order to be 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 consideration 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.

Whereas this basis 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 anticipatory pension have not yet been fixed in the new Swedish pension system. 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 play, however, a very small part in Finland, and it is not possible to define clearly the borders between the three pension systems, especially not between employment pensions and supplementary pensions.

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Table 7.3 Supplements to the basic pension/guaranteed minimum pension, 1998

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

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

2 As from 1996, neither child nor spouse supplement shall be awarded. The child supplement will have totally disappeared by the year 2001 and the spouse supplement, by the year 2002.

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 old-age pension is taxable.

4 There are special pension supplements that are not connected directly to the housing expenses, but they are primarily given to pensioners with high housing costs.

5 The child supplement 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.

6 Shall only be granted to people with a low employment pension

7 Only in respect of the employment pension.

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

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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.

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 accrual period, and the amount of income from work. In Finland, the statutory retirement pension depends on the amount of the employment pension and the supplementary pensions. The basic pension is not payable if the employment pension exceeds about FIM 5,000 per month (for married people FIM 4,500 per month).

Income-substituting benefits, other than pensions, are usually pensionable in all the countries in relation to the employment pension.

Taxation of Pensions

In Denmark, pensioners are taxed according to the same rules as those applying to other taxpayers. In Iceland, pensions are normally also taxable. In the other countries, tax rules are especially favourable for pensioners, which means that persons with only 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

Table 7.4 Pension recipients by age, in thousands and as percentage of the age group as per December 1998

	Denmark		Finland		Iceland		Norway		Sweden	
	1,000	As percentage of each age group	1,000	As percentage of each age group	1,000	As percentage of each age group	1,000	As percentage of each age group	1,000	As percentage of each age group
<i>Age</i>										
16-39	34	1.9	29	1.8	5	4.7	71	4.7	72	2.6
40-49	53	7.1	46	5.8	3	7.3	51	8.3	94	7.9
50-54	54	13.3	47	11.6	1	10.5	42	13.7	84	12.6
55-59	75	23.9	73	26.0	2	15.7	47	21.4	105	20.2
60-64	161	63.0	201	78.8	3	26.5	62	34.7	173	41.3
65-66	70	78.4	90	104.5	1	41.0	31	44.7	158	102.7
67+	709	101.2	696	103.8	27	99.1	631	101.1	1,420	102.6
Total	1,157	27.0	1,182	28.5	42	20.7	933	26.5	2,104	29.6

The figures in Table 7.4 do not include child pensioners, partial retirement pensioners or recipients of survivor's pension. In respect of Denmark, the total number of pensioners includes recipients of voluntary early retirement pay (143,835 persons) aged 60-64 years, as well as recipients of transition benefit (33,351 people) aged 50-59 years. As the widow's pension has been abolished in Denmark, and widows instead may apply for basic anticipatory pension, the number of pension recipients in Denmark is overestimated in relation to the other Nordic countries.

In Finland, one reason for the high rate of pension recipience among 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 58-64 year-olds. There were, moreover, 10,900 people in 1998 aged 58-64 years who received partial retirement pension. Were they to be included in the calculations, 81 per cent of the 60-64 year-olds and 27.8 per cent of the 55-59 year-olds were pensioners.

In Sweden, there were in 1998 11,000 persons aged 61-64 years who received partial retirement pensions. Were they to be included in the calcula-

tions, 43.9 per cent of the 60-64 year-olds in this group were pensioners, corresponding to a total of 184,000 persons.

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

Old Age

Pensions to the Elderly

– Various forms of transition to retirement

The qualifying age for basic pension and guaranteed minimum pensions is 65 years in Finland and Sweden and 67 years in Denmark, Norway and Iceland.

In Denmark, Finland, Norway and in the old Swedish system, the qualifying age for employment pension is the same as for basic pension, but 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 increased 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 in the form of a basic or 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 associations of the insured.

In Finland and in the old Swedish system, one may be granted a basic pension and/or a employment pension before the general pensionable age, but in that case the pension amount will be reduced. Similarly, the pension will be higher if retirement is postponed beyond the general 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 years.

Basic pension or 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 will be adjusted for all pension recipients in relation to any income from work they may have. In Iceland, the basic amount is adjusted in relation to any other taxable income, including one's own and any spouse's incomes, according to special rules.

In Finland, a reform was implemented in 1996 to the effect that entitlement to basic pension became proportional 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 Sweden, a completely new pension system is gradually being introduced as from 1999. The basic pension which in the old system was independent of other income will be replaced by a guaranteed minimum pension payable to those who are either not entitled to or who receive a very low employment pension. The guaranteed minimum pension will be payable as from 2003.

In Denmark, the general pension supplement is adjusted in relation to a pensioner's own and any spouse's total income apart from the basic pension. The special supplement to single persons is not income-adjusted.

In Norway, a minimum pension consisting of the basic pension amount and/or special supplements as well as the employment pension is payable. The special supplement is calculated in relation to the amount of the employment pension. In Denmark and Iceland, a supplement to the basic amount is payable. The amount of this supplement depends on any other income a pensioner might have.

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Table 7.5 Monthly minimum amount of pension, 1998

	Denmark	Finland ¹⁾	Iceland ²⁾	Norway ³⁾	Sweden
<i>Single people</i>					
Minimum amount of pension per month KR/FIM					
- Basic amount	3,901	.	15,123	3,781	2,854
- Supplement	3,867	.	43,396	2,999	1,650
Minimum amount of pension per month, total					
- Before tax KR/FIM	7,768	2,591	58,519	6,780	4,504
- Before tax in PPP	812	373	621	549	422
- After tax KR/FIM	5,682	2,591	58,519	6,780	4,504
- After tax in PPP	602	373	621	549	422
<i>Married couples</i>					
Minimum amount of pension per month KR/FIM					
- Basic amount	7,802	.	27,222	5,672	4,668
- Supplement	3,428	.	57,966	5,998	3,300
Minimum amount of pension per month, total					
- Before tax KR/FIM	11,230	4,544	85,188	11,670	7,968
- Before tax in PPP	1,190	653	904	944	734
- After tax KR/FIM	8,801	4,544	85,188	11,510	7,968
- After tax in PPP	932	653	904	931	734

1 The basic pension and the pension supplement were combined into one amount on 1 January 1997. Pensioners who at the end of 1995 only received the basic amount are entitled to a so-called reduced old-age pension until the end of the year 2000.

2 Only the basic amount and supplement of the basic pension.

3 Minimum pension for old-age pensioners. As from 1998, old-age pensioners will be taxed according to more favourable rules than are disability pensioners.

Employment pension to the elderly

The significance of the employment pension in respect of the total payment of pension varies considerably from one Nordic country to another: from being only a small amount in Denmark to being the most important contribution in Iceland, Finland and Sweden. One condition for being awarded employment pension is in all the countries that the insured person has previously been affiliated with the labour market. In Norway, the employment pension is a part of the security provided by the Social Security Scheme and is calculated in relation to previous income.

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.

In Denmark, about 80 per cent 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.

Table 7.6 Average payment of statutory retirement pensions per month, 1998

	KR/FIM	PPP-Euro
Denmark ¹⁾	6,508	689
Finland	4,921	708
Iceland ²⁾	74,500	791
Norway ³⁾	7,958	644
Sweden	7,813	720

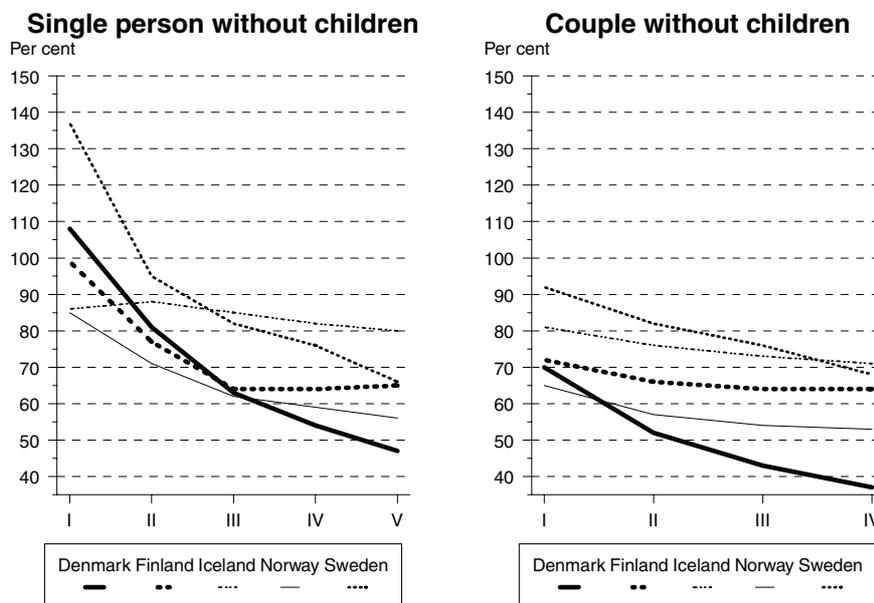
1 Average payment of statutory retirement pension in January 1998 and payment of own pension in the shape of employment pension in 1998 pr. recipient of statutory retirement pension.

2 Expenditure on both basic and employment pensions, divided by the number of recipients of basic pension have been included. 96 per cent of those receiving a basic pension also receive a employment pension.

3 Average payment of pension in December, consisting of basic pension, special supplement, employment pension, compensatory supplement as well as the increase in the minimum pension in 1998.

Figure 7.5 first and foremost shows the disposable income at five different income levels (including the maximum amount of employment pension) for a single old-age pensioner, in per cent of the disposable income from work. It also shows the disposable income at four levels (including employment pension) for a married pensioner couple, in per cent of disposable income from work.

Figure 7.5 Disposable incomes when receiving old-age pension (including employment pension) as percentages of disposable income from work, 1998



Note:
 The income groups I-IV/V have been calculated on the basis of the average wage of a production worker.
 The cash benefit is payable to the person earning the most. The calculation basis is described in Appendix 2.

As can be seen from the figures, there are considerable differences in the compensation levels after retirement. 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 the Icelandic employment pension schemes. The very high compensation levels in Denmark and Finland for single peo-

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ple in the lowest income brackets - and for single people and couples in the equivalent income brackets in 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.

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 based on labour market agreements (not included in the figures). These schemes are most important in Denmark and Norway.

As can be seen from Table 7.7, there are considerable differences between the countries and between the two sexes in respect of how many persons receive only a basic pension. In Denmark it is 19 per cent of men and 52 per cent of women. In Sweden the respective figures are 4 per cent of men and about 25 per cent of women.

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Table 7.7 Pensioners receiving old-age pension in the shape of basic pension/guaranteed minimum pension and employment pension at the end of the years 1990-1998

	Old-age pensioners, total (1,000)	Old-age pensioners who only receive basic/minimum pension, broken down by men and women		Men who only receive basic/minimum pension, and men who receive both basic/minimum and employment pension, per cent		Women who only receive basic/minimum pension, and women who receive both basic/minimum and employment pension, per cent	
		Men Per cent	Women Per cent	Only basic/minimum pension	Both basic/minimum and employment pension ¹⁾	Only basic/minimum pension	Both basic/minimum and employment pension ¹⁾
<i>Denmark</i>							
1990	706	24.3	75.7	24.9	75.1	52.7	47.3
1995	709	24.0	76.0	27.4	72.6	59.5	40.5
1997	708	20.9	79.1	20.8	79.2	54.0	46.0
1998	709	20.5	79.5	19.3	80.7	51.7	48.3
<i>Finland²⁾</i>							
1990	737	12.3	87.7	6.7	93.3	27.4	72.6
1995	804	11.8	88.2	4.3	95.7	19.0	81.0
1997	837	13.8	86.2	4.7	95.3	17.0	83.0
1998	847	14.9	85.1	4.5	95.5	16.1	83.9
<i>Iceland</i>							
1990	24	37.4	62.6	28.9	71.2	37.9	62.1
1995	26	26.7	73.3	10.9	89.1	22.8	77.2
1997	27	30.9	69.1	10.8	89.2	18.5	81.5
1998	..	..	..	..	..	..	..
<i>Norway</i>							
1990	613	18.5	81.5	6.6	93.4	38.5	61.5
1995	625	15.4	84.6	3.9	96.1	26.5	73.5
1997	628	14.1	85.9	3.5	96.5	22.6	77.4
1998	631	14.9	85.1	3.5	96.5	22.2	78.8
<i>Sweden</i>							
1990	1,554	8.2	91.8	4.9	95.1	40.6	59.4
1995	1,590	8.2	91.8	3.7	96.3	30.5	69.5
1997	1,597	8.8	91.2	3.5	96.5	26.9	73.1
1998	1,598	9.3	90.7	3.5	96.5	25.3	74.7

1 In *Denmark*, the very small employment pensions are payable as non-recurrent amounts since 1993. The calculation for *Finland* also includes pensioners who only receive employment pension. The figures for *Norway* only include pensioners who receive a employment pension that makes the old-age pension exceed the minimum pension amount. The figures for *Sweden* include all pensioners who receive employment pension even where the employment pension amounts to less than the pension supplement.

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

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 forms 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 may enable people to retire partly or completely.

In Denmark, such pensions are the general 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; and secondly the voluntary early retirement pay, which is a voluntary retirement scheme for members of an unemployment fund aged 60-66 years; thirdly a transition allowance, which was a voluntary retirement scheme for long-term unemployed recipients of daily cash benefits aged 50-59 years. Accession to this scheme stopped by the end of 1995; 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.

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 as old-age pensioners. Self-employed people and employees who have been working for a long time, may chose partial pension when they reach the age of 58 years. In the period 1 July 1998 to 31 December 2002, the age limit will, however, be 56 years. Farmers who stop operating 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 working people may on certain terms retire before the statutory retirement age of 67 years. The pensionable age of the scheme has been lowered several times and recently to 62 years as from 1 March 1998. About 60 per cent of working people may obtain a pension fixed by collective agreements; especially in certain highly physically demanding trades it is difficult to continue working until the statutory retirement age.

There are three further pension schemes that are adapted to the social

OLD AGE, DISABILITY AND SURVIVORS

insurance scheme, and they function as special early retirement schemes for people of less than 67 years. In the pension scheme for sailors and fishermen, old-age pension may be obtained from the age of 60 years, and in the pension scheme for woodsmen pension may be obtained from the age of 63 years.

In Sweden, a partial pension is payable to insured people aged 61 to 64 years, who have reduced their working hours by a maximum of 10 hours per week. An insured person is, however, not allowed to work less than 17 and more than 35 hours per working week.

Table 7.8 Average monthly amounts of the special old-age/partial retirement pensions as per December 1998

	KR/FIM	PPP-Euro
<i>Denmark</i>		
Basic general anticipatory pension ¹⁾	7,039	746
Voluntary early retirement pay ²⁾	9,420	998
Partial retirement pension ³⁾	5,204	551
Transition allowance ²⁾	9,035	957
<i>Finland³⁾</i>		
Partial retirement pension	3,060	440
Special pensions to farmers	3,814	548
<i>Norway⁴⁾</i>		
Pension fixed by collective agreement	10,060	814
Special pension to sailors	2,664	216
Special pension to fishermen	4,135	335
Special pension to woodsmen	3,102	251
<i>Sweden³⁾</i>		
Partial retirement pension	3,200	295

1 Average pension paid out in January 1998.

2 Average benefit amount paid out in 1998.

3 Average pension amount paid out in December 1998.

4 Average monthly amount, December 1998 (average annual amount in 1998 divided by 12).

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Table 7.9 Pensioners receiving special old-age and partial retirement pensions, by sex and age, 1998

	Total	-49		50-59		60-64		65-		
		M	W	M	W	M	W	M	W	
<i>Denmark</i>										
Basic general anticipatory pension	106,258	11,841	15,134	11,963	24,619	6,596	21,498	2,977	11,630	
Voluntary early retirement pay ¹⁾	177,186	.	.	22,730	10,621	47,928	52,471	23,038	20,398	
Partial retirement pension	4,201	.	.	.	.	2,072	565	1,239	325
<i>Finland</i>										
Partial retirement pension	10,924	.	.	2,328	2,980	2,617	2,999	.	.	
Special pension to farmers	42,696	.	.	2,126	4,134	5,469	7,309	11,236	12,422	
<i>Norway</i>										
Pension fixed by collective agreement	21,573	.	.	.	.	6,457	4,579	6,010	4,527
Special pension to sailors ²⁾	19,329	..		123		4,381		14,825		
Special pension to fishermen	1,693	.	.	..	..	..	..	..	..
Special pension to woodsmen	98	.	.	..	..	..	..	..	..
<i>Sweden³⁾</i>										
Partial retirement pension	11,000	.	.	.	.	7,000	4,000	.	.

1 Including 33,351 people in the age group 50-59 years receiving transition allowance. The transition allowance was introduced in 1992 as a temporary measure. It 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.

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 Norway, there are also special wards in some nursing homes where elderly people who live at home may be admitted on a short-term basis when needed.

Table 7.10 People aged 65 years and older living in institutions or service housing, total and as percentages of the total number of elderly, December 1998

	Denmark ¹⁾	Finland	Iceland ²⁾	Norway ¹⁾	Sweden ³⁾
<i>People of the ages</i>					
65-74 years	9,105	8,699	469	8,441	10,905
75-79 years	10,650	8,425	509	12,259	17,023
80+ years	43,502	32,400	2,040	48,166	90,787
Total, 65/67+ years	63,257	49,524	3,018	68,866	118,715
<i>As percentages of the respective age groups</i>					
65-74 years	2.8	2.0	2.6	3.1	1.4
75-79 years	6.4	5.6	8.2	7.8	4.9
80+ years	20.8	18.8	28.0	25.6	21.0
Total, 65/67+ years	9.0	6.5	9.6	11.1	7.7

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

2 Only residents in residential care homes, nursing homes and old people's homes have been included, which explains the large discrepancy in relation to previous figures.

3 Calculation as per 1 November 1998. Only people staying permanently in institutions and not short-term stays, which were previously included.

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Home help

Table 7.11 Elderly people receiving home help, 1998

	Denmark ¹⁾	Finland ²⁾	Iceland ³⁾	Norway ⁴⁾	Sweden ⁵⁾
<i>Recipients of home help</i>					
65-74 years	{ 65,024	17,221	..	15,159	18,478
75-79 years		41,226	..	22,421	23,318
80+ years	101,224	26,369	..	60,702	84,253
Total 65+ years	166,248	84,816	6,101	98,282	126,049
<i>Recipients of home help as percentages of the age group</i>					
65-74 years	{ 13.2	3.9	..	5.5	2.4
75-79 years		16.6	..	14.2	6.7
80+ years	48.5	35.2	..	32.2	19.5
Total 65+ years	23.7	11.2	19.3	15.9	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 group 65-79 years.

4 Age group 67-74 years and 75+ years.

5 People who as at 1 November 1998 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 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 staff.

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 about how many people received help during a year. The Swedish data cover people who per 31 December had been granted home help. Besides, the Finnish statistics comprise households, whereas they for the other countries comprise individuals.

Support services and leisure activities

In the Nordic countries, pensioners 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 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 is reduced by physical and/or mental disability may be entitled to a disability/anticipatory pension. The disability/anticipatory pension is called disability pension in Finland and Iceland and anticipatory pension in Denmark, Norway and Sweden.

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 60-64 years.

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. Anticipatory pensioners are awarded basic pension according to the same rules as applies to old-age pensioners. Besides, anticipatory pensioners who have been granted the intermediate amount of anticipatory pension also receive a disablement allowance, and anticipatory pensioners who have been granted the highest amount of anticipatory pension receive apart from the disablement allowance also an unemployability amount. The disablement allowance and the unemployability amount are

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not earnings-related, and besides, the disablement allowance is exempt from tax. In Denmark, anticipatory pensioners do not receive employment pension. As mentioned earlier, the general minimum 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 in the shape of a basic pension/guaranteed minimum pension and a 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 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, *rehabilitation benefit* is normally payable before anticipatory pension will be awarded.

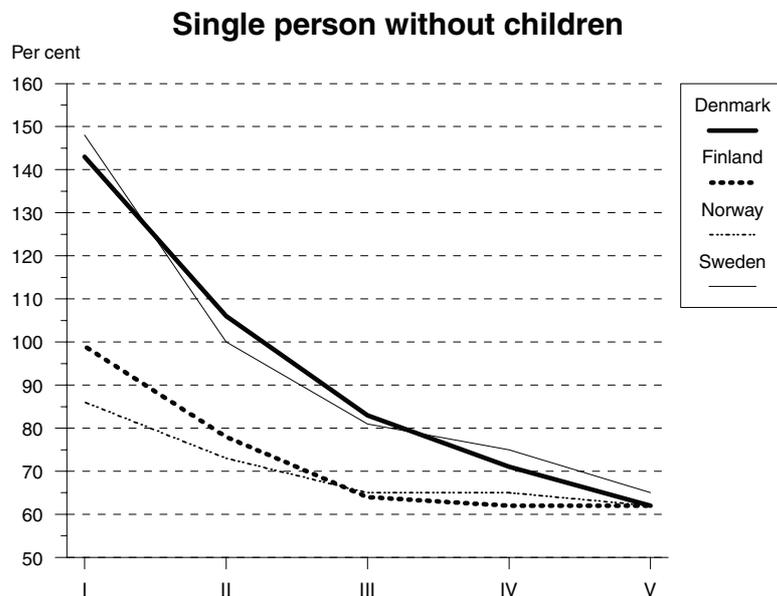
Also the other disability/anticipatory pension schemes (which in this report are referred to as special old-age pensions) may affect the number of disability/anticipatory pensioners. In Denmark and Finland, there is, for example, a large number of pensioners who mainly draw pension for other reasons. 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 these countries. In Norway, 60 per cent of people working have since 1989 been part of the AFP-scheme (pensions fixed by collective agreements). During the 1990s, this scheme was extended to include still younger age groups without that having any large effect on the number of anticipatory pensioners.

The amount of the anticipatory pension, including pension supplement, is 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 a employment pension in the other countries, as mentioned above.

Figure 7.6 shows the compensation level for a single 50 year-old disability/anticipatory pensioner who has previously been working, and who has completely lost his working capacity. The highest level is found in Denmark and Sweden and the lowest in Norway for people who previously had a low

income. The very high compensation level in Denmark is due to the highest anticipatory pension being independent of any previous income. Besides, people who have completely lost their working capacity are entitled to both a disablement amount and an unemployability amount. Furthermore, the rules governing housing benefits for pensioners are relatively favourable. This also applies to Sweden. The anticipatory pension in the other countries is calculated in relation to previous income from work.

Figure 7.6 Compensation level for a single 50 year-old disability/ anticipatory pensioner 1998



Note:
The income groups I-IV/V have been calculated on the basis of the average wage of a production worker. The cash benefit is payable to the person earning the most. The calculation basis is described in Appendix 2.

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Table 7.12 Average monthly amount of disability/anticipatory pension, 1998

	KR/FIM	PPP-Euro
Denmark ¹⁾	9,171	972
Finland	5,164	742
Iceland ²⁾	70,800	751
Norway	8,305	672
Sweden ²⁾	7,645	705

1 Average amount of highest and intermediate anticipatory pensions paid out in January 1998.

2 Expenditure on both basic and employment pensions divided by the number of disability pensioners who receive basic pension have been included. 55-60 per cent of the anticipatory pensioners also receive employment pension.

3 Average pension amount as per December 1998 including pension supplement and other supplements.

There has been a limited decrease in the number of new anticipatory pensioners in Denmark in recent years. The decrease must be seen in connection with changes in the awarding powers, the financing and strengthening of the early, preventive effort to maintain people with reduced working capacities in employment, e.g. on special terms. With effect from 1 July 1998, an application for anticipatory pension may only be submitted when all activation, rehabilitation, care and other measures to improve the working capacity have been exhausted. These conditions have, however, mainly resulted in a decline in the number of accessions of the general anticipatory pensions (special old-age pensions), where new awards of the highest and intermediate anticipatory pensions have only declined moderately. Both in Norway and Sweden, the rules governing award of anticipatory pension have been tightened. In Norway, this was already done in 1991 when the medical grounds for award were tightened. After a decrease in the number of accessions at the beginning of the 1990s, the number has increased again. This is mainly a result of demography and amendment of rules in other benefit areas. In Finland, the number of disability pensioners has decreased. This is due to the qualifying age for individual disability pension having been raised, and to older long-term unemployed people receiving unemployment pension and consequently not applying for disability pension.

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Table 7.13 Recipients of disability/anticipatory pension and new accession of disability/anticipatory pensioners, by sex, 1990-1998

	Denmark ¹⁾		Finland		Iceland ²⁾		Norway ³⁾		Sweden	
	M	K	M	K	M	K	M	K	M	K
<i>1990</i>										
Recipients	76,113	78,481	159,509	141,423	3,097	4,350	104,704	129,657	166,716	188,600
New accession	6,638	5,597	..	..	..	..	14,444	15,140	23,643	26,850
New accession as percentage of population	0.4	0.3	..	..	..	..	1.1	1.2	0.9	1.0
<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	0.3	0.3	..	..	0.6	0.9	0.8	1.0	0.7	0.8
<i>1997</i>										
Recipients	82,248	84,033	157,120	137,831	4,533	6,308	106,919	139,622	188,750	234,166
New accession	4,997	4,179	..	..	312	565	13,194	15,170	20,032	21,166
New accession as percentage of population	0.3	0.2	..	..	0.4	0.7	1.0	1.2	0.8	0.9
<i>1998</i>										
Recipients	82,031	83,659	153,123	134,924	..	..	111,164	146,939	186,672	234,952
New accession	4,896	4,209	..	..	..	..	14,881	18,409	15,909	18,578
New accession as percentage of population	0.3	0.2	..	..	..	..	1.1	1.4	0.6	0.7

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 the end of the year.

2 Pensionable age 16-66 years.

3 Pensionable age 16-66 years (as from 1991, the age group 16-67 years).

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Table 7.14 Pensioners receiving disability/anticipatory pension in the shape of basic pension/guaranteed minimum pension and/or employment pension, total 1990-1998

	1990	1995	1997	1998
<i>Denmark</i>				
18-19 years	407	485	574	593
20-29 »	6,959	8,317	7,747	7,703
30-39 »	15,943	18,305	18,430	18,393
40-49 »	31,198	34,919	33,551	33,405
50-59 »	52,990	57,198	58,910	59,545
60-64 »	35,688	34,504	33,832	33,762
Total 18-64 »	143,185	153,728	153,044	153,401
65-66 »	12,953	12,918	12,646	12,223
<i>Finland¹⁾</i>				
16-19 years	1,980	1,978	1,962	1,992
20-29 »	10,477	9,031	8,330	8,189
30-39 »	23,286	20,379	19,165	18,751
40-49 »	43,970	49,498	47,473	45,791
50-59 »	119,384	113,830	109,556	106,442
60-64 »	101,835	114,787	108,465	106,882
Total 16-64 »	300,932	309,503	294,951	288,047
65-66 »	.	.	.	.
<i>Iceland²⁾</i>				
16-19 years	221	322	324	..
20-29 »	837	1,048	1,087	..
30-39 »	1,137	1,825	1,955	..
40-49 »	1,275	1,973	2,313	..
50-59 »	1,801	2,234	2,505	..
60-64 »	1,481	1,712	1,701	..
Total 16-64 »	6,752	9,114	9,885	..
65-66 »	695	905	956	..
<i>Norway</i>				
16-19 years	668	778	863	755
20-29 »	6,336	6,625	7,161	7,508
30-39 »	18,314	19,106	20,583	21,944
40-49 »	38,442	44,153	45,527	47,644
50-59 »	69,141	73,415	82,295	88,361
60-64 »	65,803	59,700	58,788	61,464
Total 16-64 »	198,704	203,777	215,217	227,676
65-66 »	35,657	32,524	31,318	30,427
<i>Sweden</i>				
16-19 years	3,232	3,138	3,191	3,411
20-29 »	10,486	12,181	12,296	12,597
30-39 »	25,629	31,645	31,845	32,063
40-49 »	59,984	78,902	77,076	75,791
50-59 »	120,184	156,598	162,279	164,218
60-64 »	141,839	137,394	136,229	133,544
Total 16-64 »	361,354	419,858	422,916	421,624
65-66 »	.	.	.	.

1 Including individual disability pensions.

2 15-18 per cent of the included disability pensioners are not really general disability pensioners.

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Table 7.15 Pensioners receiving disability/anticipatory pension in the shape of basic pension/guaranteed minimum pension and/or employment pension as percentages of the respective age groups, 1990-1998

	1990	1995	1997	1998
<i>Denmark</i>				
18-19 years	0.1	0.2	0.2	0.2
20-29 »	0.9	1.1	1.0	1.0
30-39 »	2.1	2.3	2.3	2.2
40-49 »	4.0	4.5	4.5	4.5
50-59 »	9.7	8.8	8.4	8.3
60-64 »	14.6	14.4	13.6	13.2
Total 18-64 »	4.1	4.3	4.3	4.3
65-66 »	13.3	14.3	14.1	13.7
<i>Finland¹⁾</i>				
16-19 years	0.8	0.8	0.8	0.8
20-29 »	1.5	1.4	1.3	1.3
30-39 »	3.0	2.7	2.5	2.5
40-49 »	5.7	5.9	5.8	5.7
50-59 »	22.6	19.4	16.8	15.6
60-64 »	39.4	47.6	43.9	41.8
Total 16-64 »	9.1	9.2	8.8	8.5
65-66 »	.	.	.	.
<i>Iceland²⁾</i>				
16-19 years	1.3	1.9	1.9	..
20-29 »	2.0	2.6	2.7	..
30-39 »	2.8	4.3	4.6	..
40-49 »	4.3	5.6	6.2	..
50-59 »	8.7	9.7	10.0	..
60-64 »	14.4	17.0	17.4	..
Total 16-64 »	4.2	5.4	5.7	..
65-66 »	13.0	21.8	23.8	..
<i>Norway</i>				
16-19 years	0.3	0.4	0.4	0.5
20-29 »	1.0	1.0	1.0	1.2
30-39 »	2.9	2.9	3.0	3.3
40-49 »	6.7	7.1	7.2	7.7
50-59 »	18.0	16.3	16.1	16.9
60-64 »	33.6	33.9	33.7	34.6
Total 16-64 »	7.4	7.4	7.5	8.2
65-66 »	43.8	42.8	42.2	42.7
<i>Sweden</i>				
16-19 years	0.7	0.8	0.8	0.8
20-29 »	0.9	1.0	1.1	1.1
30-39 »	2.2	2.6	2.6	2.6
40-49 »	4.8	6.4	6.4	6.4
50-59 »	13.7	14.7	14.2	13.9
60-64 »	33.5	34.2	33.5	32.0
Total 16-64 »	6.7	7.6	7.7	7.6
65-66 »	.	.	.	.

1 Including individual disability pensions.

2 15-18 per cent of the included disability pensioners are not really general disability pensioners.

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 support their families.

Support may also be granted towards meeting special expenses incurred by the education or training. Education may consist of training in the open labour market. The support is provided in the shape of wages or wage supplements. In addition, special support may be granted towards acquisition of tools, etc., and towards establishment of 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 years, the rehabilitation allowance is payable by half of the amount.

In Finland, about 80 per cent of the recipients receive rehabilitation benefit from the Social Insurance Institution. In those 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 basic amount of the disability pension and is awarded according to the same criteria; it is, however, never payable for more than 18 months. Everyone receiving rehabilitation allowance must undergo examinations and treatment during the period in which the allowance is received.

In Norway, subsidies are payable towards maintenance according to the same rules as apply to disability pension, apart from the fact that there is no minimum amount. The rehabilitation proper may be carried through in a co-operation between i.a. the health, labour market, insurance and social sectors 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 in the form of daily cash

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benefit is payable to participants who are or would have been entitled to benefits 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 the 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. The occupational rehabilitation measures may for example be job training, analysis at a labour market institute and education.

Table 7.16 People receiving rehabilitation benefit during the year and as at December 1998

	Denmark ¹⁾	Finland ²⁾	Iceland	Norway ³⁾	Sweden ⁴⁾
People receiving rehabilitation benefit during the year	48,531	49,816	675	90,496	34,295
People receiving rehabilitation benefit as at December 1998	19,629	9,857	259	62,236	18,827

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 subsidized job.

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

3 People receiving rehabilitation benefit.

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 temporary loss of their working capacity. 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 lost ability to work, either in the shape 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 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.

In Finland, one is entitled to 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 partially 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 the recipient turns 65 years. Pension in the event of accident to a partially 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, or in the event that the period in which one is entitled to receive wages has expired, the people concerned receive daily cash benefits from the industrial injury insurance fund under the general insurance scheme. This benefit is a fixed amount independent of the wages earned prior to the accident. The benefit is usually payable for a maximum of 52 weeks.

In Norway, one may be granted 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 anticipatory pension. A loss of a minimum of 15 per cent of the ordinary working capacity is required in or-

der for a compensation to be awarded (compensation for loss of working capacity).

In Sweden, compensation is granted in the shape 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 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 the home by having the extra expenses incurred by the child's disability covered.

Disabled adults who live in their own homes are also entitled to subsidies. The various countries also have slightly differing 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 for disabled people, such as:

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

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Table 7.17 People under 65 years living in institutions or in service housing, December 1998

	Denmark ¹⁾	Finland	Iceland	Norway ²⁾	Sweden ³⁾
Under 65 years, total	16.130	15.103	823	13.092	23.252
Under 65 years as percentage of the age group	0,3	0,3	0,3	0,3	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 Calculation as at 1 November 1998, and only people who are staying on a permanent and not short-term basis, who were previously included.

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 ensure that disabled people under 67 years be moved from old people's homes or nursing homes to housing facilities outside of the institutions.

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 vary from a few hours a month to several hours per day. The assistance is a municipal matter and is provided by municipal staff.

In all the Nordic countries, people with severe disabilities may be granted financial support towards payment of personal assistance and help to manage the household. In Norway, this is a municipal task, but the local authorities may receive subsidies to this end from the State on a trial basis. In 1998, the scheme comprised 311 people. In several of the countries, a person may employ one or more people to assist him.

Table 7.18 People under 65 years receiving home help, 1998

	Denmark ¹⁾	Finland ²⁾	Iceland	Norway ¹⁾	Sweden ³⁾
Recipients of home help under 65 years, total	28.272	41.606	3.631	25.010	14.697
Recipients of home help as percentages of the age groups under 65 years	0,6	1,0	1,5	0,7	0,2

1 Households under 67 years.

2 Households. Out of the 41,606, the 6,292 were disabled.

3 Including people staying in their own homes, who as at 1 November 1998 had been granted home help.

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 1998, these measures comprised 18,912 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 entitled to any social pension whereas sheltered jobs are given to anticipatory pensioners. At the end of 1998, there were 5,042 people in flex-jobs and 5,328 in sheltered jobs.

In Finland, the Social Insurance Institution can offer rehabilitation including assessment of working capacity. The health sector offers 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. In 1998, there were 10 shel-

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tered workshops employing 257 people and 17 rehabilitation institutions rehabilitating 251 people. 107 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.

In Norway, the labour and social sectors 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 situation adapted according to 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 for daily life use. People undergoing rehabilitation are entitled to support according to the same rules as apply to anticipatory pension.

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. Benefits in relation to the occupational rehabilitation are calculated in the same way as is anticipatory pension, with the exception that no special supplements are payable. This means that there is no lower limit to the amount of the rehabilitation benefits.

In Sweden, people with reduced working capacities may participate in various labour market measures. In 1998, an average of 26,100 people with reduced working capacities participated in cyclical measures. The four measures that on average covered the majority of the total number of people with reduced working capacity during 1998, were working life development, work place introduction, occupational rehabilitation or extensive guidance at the labour market institutes, labour market training, working life development and introduction to the work place. Besides, about 53,600 incapacitated people participated in special programmes for disabled people. A person who, due to a disability, cannot get a job in the open labour market may find employment in a *Samhällföretag* through the employment service. At the end of 1998, about 26,900 incapacitated people worked at *Samhäll*. *Samhäll* took on about 2,300 people in 1998. At least 40 per cent of the newly employed come from the so-called priority groups (people with learning difficulties, multiple disabilities and mental illnesses).

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.

The transport service scheme is a service to disabled people 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 the 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. In Finland, the pension paid is influenced by a survivor's own employment pension as well as by one's own pension. In 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.

Widows and widowers may in Denmark apply for general anticipatory pension, which in this report is termed special old-age pension. In Finland, Norway and Sweden, widows and widowers are entitled to survivor's pension in the form of basic pension/guaranteed minimum pension.

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Table 7.19 Pensioners aged 18-64/66 years receiving statutory survivors' pension, 1990-1998

	Denmark ¹⁾		Finland ²⁾		Iceland ³⁾		Norway ⁴⁾		Sweden ⁵⁾	
	M	W	M	W	M	W	M	W	M	W
1990	.	.	1,633	60,527	157	1,211	1,484	34,234	1,372	68,020
1995	.	.	5,814	52,767	171	735	1,854	30,023	2,147	64,423
1997	.	.	6,795	49,892	986	3,132	1,910	28,046	1,529	57,970
1998	.	.	7,256	48,798	..	..	2,236	27,052	1,529	56,772

1 The widow's pension scheme has been abolished. Pension may be granted to widows by way of the anticipatory pension scheme.

2 Widows/widowers over 64 years may be granted survivor's pension in the form of employment pension. In 1998, the number of pensioners over 64 years receiving survivors' pension was 175,133 women and 15,818 men.

3 Pensioners aged 16-65 years.

4 Not including widows and widowers receiving disability/anticipatory pension. Widows/widowers under 67 years.

5 Includes widow's pension from the retirement pension scheme as well as transition pension and special pension to survivors. On 1 January 1997, the transition pension period was reduced from 12 months to six months. As at 1 April 1997, the widow's pension from the statutory retirement pension scheme became income-related. Prior to 1990, the data were excluding persons who only received transition pension from the Employment pension Fund or only widow's pension from the statutory retirement pension scheme.

The basic pension/guaranteed minimum pension will 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 will also be revoked in the event that a survivor is awarded anticipatory pension. Pension is payable to a survivor in the shape of an employment pension/employment pension or a supplementary pension.

In Norway, favourable rules governing the employment pension in the Social Security Scheme's old-age and disability/anticipatory pension system exist for survivors. They can choose from 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 7.20 Average monthly amounts of survivor's pension, 1998

	Denmark	Finland	Iceland	Norway	Sweden ¹⁾
KR/FIM	.	2,268	..	5,265	3,590
PPP-Euro	.	326	..	426	331

1 Average amount per December 1998 for pension recipients under 65 years in the shape 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 in the shape of a basic pension and a 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.

In Finland, Norway and Sweden, child pension may be payable until the age of 20 years if a child/youth is receiving education. In Norway, this applies only if both parents are deceased. The same limit applies in Iceland to orphans receiving education and to child pension in the shape of basic pension. 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 in the shape of employment pension if the deceased was a member of such a pension scheme.

Table 7.21 Children receiving child pension in the form of basic pension and/or employment pension. Total and as percentages of children of the qualifying age groups, 1990-1998¹⁾

	Denmark	Finland	Iceland	Norway	Sweden
<i>Number of children receiving child pension</i>					
1990	19,753	28,429	1,545	14,751	30,629
1995	17,590	29,338	1,325	13,658	31,208
1997	17,640	29,339	1,232	13,600	30,448
1998	17,664	28,879	1,300	13,594	30,118
<i>As percentages of children of the qualifying age groups</i>					
1998	1.6	2.3 ²⁾	1.8	1.3	1.4 ²⁾

1 Entitled were, in 1998, 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 In per cent of children 0-19 years.

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Table 7.22 The average monthly amounts of child pension, 1998

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden
KR/FIM	748	1,556	12,205	1,441	2,453
PPP-Euro	79	224	130	117	226

1 Basic pension only.

Expenditure on and Financing of Benefits and Services to the Elderly, the Disabled and Survivors

The theme section in the present report is a detailed illustration of the differences and similarities in the expenditure on the elderly, the disabled and survivors, for which reason only a explanation of the reasons for the changes in the various countries is given here.

Development in the social expenditure on the elderly, the disabled and survivors from 1997 to 1998

In Denmark, the expenditure on the voluntary early retirement benefit has increased considerably as a result of an increase in the number of recipients from 129,000 in 1997 to 140,000 in 1998, whereas the expenditure on the transition allowance has declined as the closing of the access to the scheme resulted in a decline in the number of recipients of about 6,000 from 1997 to 1998. There has also been an increase in the expenditure on the employment pensions and supplementary pensions, while the expenditure on statutory retirement pension and anticipatory pension has remained practically unchanged. Furthermore, there has been an increase in the expenditure on care for the elderly and the disabled.

In Finland, the expenditure on old-age pension increased by about 10,000 people. Especially the expenditure on early retirement pension and partial pension. The expenditure on services to the elderly remained the same as in 1997, while the expenditure on home help increased. The expenditure on the disabled decreased substantially, which was mainly a result of long-term unemployment. As a result of a new index system, the disability pension and survivor's pensions increase less than the old-age pensions. In 1998, improved services were provided to the disabled, especially in the shape of rehabilitation and out-patient treatment.

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In Iceland, the expenditure on the elderly increased by 11.6 per cent, of which services increased by 14 per cent and the cash benefits by almost 11 per cent. The increasing expenditure on services was mainly due to increasing payroll costs resulting in increasing running costs in relation to care for the elderly. The wage development also has influenced the increasing expenditure on cash benefits, as the pensions are related to the wage development, but most important is the development in the employment pension scheme, as there has been an increase in expenditure of almost 17 per cent from 1997 to 1998. This is due to a relatively large increase in the number of people receiving employment pension, as well as additional old-age pensioners on average being entitled to a higher employment pension than are older pensioners. The expenditure on the disabled and survivors increased from 1997 to 1998 and may be explained by the same reasons as apply to the elderly, but it should be noted that the employment pension is less significant in relation to the disabled than to the elderly and survivors.

In Norway, the expenditure on old-age pension increased by 10 per cent from 1997 to 1998, where the number of old-age pensioners almost remained constant during 1998. The increase in the expenditure is due to the Social Security Scheme still being in the process of establishment and the number of pensioners entitled to employment pension having increased. The increase in the minimum pension by NOK 1,000 per month as from 1 May 1998 also contributed to the increased expenditure. The accession of new anticipatory pensioners was historically high in 1998 and only in 1987 to 1989 was it higher. The expenditure on anticipatory pension increased by about 11 per cent from 1997 to 1998.

In Sweden, the expenditure on old-age pensioners continued to increase due to a continued increase in the accumulation of the Employment Pension Scheme. There was also some increase in the expenditure on the services to the elderly although the number of people receiving assistance declined. The expenditure on assistance and services to the disabled also continues to increase due to increasing expenditure on personal assistance. The expenditure on survivors has by and large remained unaltered.

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Table 7.23 Expenditure on and financing of pensions, other cash benefits and services to the elderly, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Old-age pensions	79,100	45,766	21,936	66,192	178,067
Of which:					
a. Basic pension	54,008	11,279	12,672	30,152	52,645
b. Employment pension	2,953	32,806	9,264	28,378	88,900
c. Supplementary pension	22,138	1,686	-	7,662	36,522
B. Special old-age pensions	29,226	3,107	-	304	-
C. Partial retirement pension	248	321	-	-	586
D. Other	14	832	-	-	57
Cash benefits, total	108,588	50,034	21,936	66,496	178,710
<i>Services, million KR/FIM</i>					
A. Institutions, etc.	6,324	2,727	7,301	17,697	38,314
B. Assistance to carry out daily tasks	14,552	1,686	563	9,252	12,109
C. Other	519	1,025	492	1,332	1,321
Services, total	21,395	5,439	8,356	28,282	51,744
Total expenditure, million KR/FIM	129,983	55,463	30,292	94,777	230,454
Expenditure as percentages of GDP	11.1	8.1	5.2	8.6	12.2
<i>Financed by (per cent)</i>					
- Public authorities	61.1	24.5	31.4	52.3	27.4
- Employers	19.4	59.6	53.7	27.7	53.7
- The insured (contributions and special taxes)	19.5	15.9	14.9	19.9	18.9
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	1,477	623	3,147	8,063	7,221
- Per cent	1.2	1.1	11.6	9.3	3.2

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Table 7.24 Expenditure on and financing of pensions, other cash benefits and services to disabled people, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Disability/Anticipatory pensions	19,212	15,259	8,468	27,995	43,076
Of which:					
a. Basic pension	19,212	3,865	5,953	11,429	13,529
b. Employment pension	-	11,288	2,515	14,229	23,610
c. Supplementary pension	-	106	-	2,337	5,937
B. Early retirement benefit due to reduced working capacity	1,742	3,120	-	-	-
C. Care allowance	-	424	-	2,371	2,652
D. Financial integration of the disabled	3,293	257	-	6,335	951
E. Other	1,880	1,812	157	1,103	-
Cash benefits, total	26,128	20,872	8,625	37,804	46,679
<i>Services, million. KR/FIM</i>					
A. Institutions, etc.	7,026	763	1,526	638	9,420
B. Assistance to carry out daily tasks	2,436	1,110	113	2,242	7,884
C. Rehabilitation	1,466	1,850	2,249	5,561	1,550
D. Other	2,206	1,562	187	712	6,454
Services, total	13,133	5,284	4,076	9,153	25,308
Total expenditure, million KR/FIM	39,261	26,157	12,701	46,957	71,987
Expenditure as percentages of GDP	3.4	3.8	2.2	4.2	3.8
<i>Financed by (per cent)</i>					
- Public authorities	94.8	31.3	39.9	45.2	42.3
- Employers	5.2	51.4	48.3	31.7	41.9
- The insured (contributions and special taxes)	-	17.2	11.8	23.1	15.9
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	1,854	-770	903	3,067	2,765
- Per cent	5.0	-2.9	7.7	7.0	4.0

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Table 7.25 Expenditure on and financing of cash benefits and services to survivors, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Survivors' pension	1	7,014	3,095	3,895	14,073
Of which:					
a. Basic pension	-	246	251	1,187	762
b. Employment pension	-	6,442	2,844	949	12,352
c. Supplementary pension	1	326	-	1,759	959
B. Death grants	-	206	57	-	-
C. Other	-	-	-	14	-
Cash benefits, total	1	7,221	3,152	3,909	14,073
<i>Services, million KR/FIM</i>					
A. Funeral grants	181	33	-	218	-
B. Other	-	-	-	-	-
Services, total	181	33	-	218	-
Total expenditure, million KR/FIM	182	7,254	3,152	4,127	14,073
Expenditure as percentages of GDP	0.0	1.1	0.5	0.4	0.7
<i>Financed by (per cent)</i>					
- Public authorities	100	7.3	2.1	41.7	1.0
- Employers	-	69.8	70.5	35.4	48.1
- The insured (contributions and special taxes)	-	22.9	27.4	22.9	40.9
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	-9	-28	273	63	92
- Per cent	-4.7	-0.4	9.5	1.6	0.7

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.

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. receive their pension in full and must then pay for services provided as part of their stay in the nursing

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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. The proportion of user charges of the total expenditure cannot be calculated.

In Finland, user charges payable for long-term care of the elderly depend on a patient's income. In 1998, user charges made up 21 per cent of the total expenditure. In institutions for mentally impaired people, user charges made up 5 per cent of the total expenditure. User charges for home help depend on the household 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 7.8 per cent of the municipal expenditure.

In Norway, user charges payable for stays in institutions depend on a patient's income. User charges for stays in institutions are fixed on the basis of centrally determined rules that are adjusted in respect of how large a part of a resident's income, a municipality may demand in payment for a stay in an institution. User charges amount to 75 per cent (less a basic allowance of NOK 6,000) of an income that is lower than NOK 45,370 and to 85 per cent of incomes higher than that. Besides, there are special rules for people whose spouses still live in their homes. The individual local authorities fix user charges payable for home help, but the amount must not exceed the actual costs. User payment may not be charged for the part, which is personal care and nursing. If an income is lower than NOK 90,740 in 1998, user charges must not exceed NOK 50 per month.

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. Besides, the individual must be left with an adequate amount after payment of tax, rent and user charges to the local authorities for his own maintenance. User charges amounted to approximately 9 per cent of the gross expenditure for the entire care schemes for the elderly and the disabled. As from 1996, user charges payable for stays in institutions, individual housing and home help in traditional housing cannot be calculated separately. User charges payable for home help and home nursing represented 6 per cent of the gross expenditure.

Chapter 8

Housing Benefits

Table 8.1 Expenditure on housing benefits as percentage of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	2.2	Austria	0.3	Italy	0.0
Finland	1.2	Belgium	..	Luxembourg	0.2
Iceland	0.6	France	3.3	The Netherlands	1.3
Norway	0.7	Germany	0.6	Portugal	0.0
Sweden	2.7	Greece	3.3	Spain	0.3
		Ireland	3.4	United Kingdom	7.0

Note: See Table 4.1.

Housing Benefits to Families

– Housing benefits are income-adjusted and tax free

In all the countries, housing benefit is granted to both families with and families without children. In Norway, housing benefit is usually only granted to families without children in the event that at least one person receives certain other cash benefits. The rules governing housing benefit to families with children are more favourable than those applying to families without children; this is, however, not the case in Norway.

In Denmark and Iceland, the benefit is only payable to families living in rented accommodation. In the other countries, housing benefit may also be granted to families who own their accommodation. A family's income and the amount of the rent, as well as the number of children, are taken into consideration when a benefit is being granted. The scopes of these schemes vary greatly from one country to another.

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Table 8.2 Average housing benefit per month to families, 1998

	Denmark	Finland	Norway	Sweden
<i>Average housing benefit per month per family, KR/FIM</i>				
Married and cohabiting couples				
– with children	1,363	1,284	1,718	1,561
– without children	464	1,167	1,635	769
Single people				
– with children	1,619	1,351	1,545	1,665
– without children	351	889	1,047	617
<i>Average housing benefit per month per family, PPP-Euro</i>				
Married and cohabiting couples				
– with children	144	185	139	144
– without children	49	168	132	71
Single people				
– with children	172	194	125	155
– without children	37	129	85	57

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 the deposit in order to enable people with a poor economy to get an appropriate and reasonable home. In Finland and Norway, social assistance may also 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 and was due to an increase in the unemployment rate in several of the countries. From 1997, however, the number of recipients of housing benefit dropped again in some of the countries due to a decrease in the unemployment rate. In Finland, the number of recipients increased, however, as the maximum income for receiving housing benefit was increased. In Sweden, households without children lost their entitlement to housing benefits as from 1996 if an applicant was over 28 years of age and many other households without children, who had received housing benefit according to special rules, also lost this benefit. As from 1997, a number of significant rules were introduced which has resulted in a decrease in the number of households receiving housing benefits. One of the most important changes is a new system for income-regulation, where temporary and permanent benefits are subject to taxable income. Besides, the possibilities of receiving the benefit became limited, and individual income ceilings were fixed for cohabiting parents.

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Table 8.3 Families receiving housing benefit, 1990-1998

	Denmark	Finland	Norway	Sweden ¹⁾
<i>Number of recipients</i>				
<i>1990</i>				
Married and cohabiting couples	28,663	38,770	..	109,000
– with children	17,675	29,880	..	..
– without children	10,988	8,890	..	..
Single people	115,258	49,687	..	135,000
– with children	57,700	36,121	..	..
– without children	57,558	13,566	..	..
<i>1995</i>				
Married and cohabiting couples	33,610	74,402	5,016	198,044
– with children	21,672	49,753	5,016	180,798
– without children	11,938	26,649	..	17,246
Single people	141,265	139,414	13,740	352,416
– with children	66,026	55,838	13,740	228,021
– without children	75,239	75,974	–	124,395
<i>1997</i>				
Married and cohabiting couples	32,153	54,621	5,617	107,357
– with children	21,582	33,925	5,617	102,061
– without children	10,571	20,696	–	5,296
Single people	134,608	129,993	15,453	245,519
– with children	64,153	49,505	15,453	197,293
– without children	70,455	80,488	–	48,226
<i>1998</i>				
Married and cohabiting couples	31,336	56,153	5,030	86,634
– with children	20,727	31,647	4,609	82,090
– without children	10,607	24,506	421	4,544
Single people	132,998	149,438	14,544	237,824
– with children	62,226	50,493	12,590	190,850
– without children	70,772	98,945	1,954	46,974

1 Individuals - not families.

Housing Benefit to Pensioners

– *Support to pensioners with low incomes*

In all the Nordic countries, housing benefit is payable to pensioners. The amount of the housing benefit depends on a pensioner's personal income, the amount of the rent, etc.

Table 8.4 Pensioners receiving housing benefit by the end of the years 1990-1998

	Denmark	Finland	Norway	Sweden
<i>1990</i>				
Married and cohabiting pensioners	54,617	12,036	..	49,800
Single pensioners	223,239	116,288	..	446,900
Total	277,856	130,150	..	496,700
<i>1995</i>				
Married and 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>1997</i>				
Married and cohabiting pensioners	64,847	9,816	4,562	60,756
Single pensioners	265,608	133,636	73,415	442,267
Total	330,445	147,099	77,977	503,023
<i>1998</i>				
Married and cohabiting pensioners	65,014	9,638	4,544	56,807
Single pensioners	268,862	135,706	75,742	433,435
Total	333,876	149,200	80,286	490,242

In Denmark, the benefit may also be granted to pensioners who own the house or flat they live in, but only in the shape of a loan. A heating supplement may also be granted to help cover heating costs. In Finland, housing benefit may be granted on the grounds of age or pension. In Iceland, a special housing benefit is payable to pensioners with low incomes who are unable to pay their expenses without getting a supplement to their pensions. In Norway, housing benefit is payable to pensioners having modest housing standards, but high housing costs and low personal incomes. In Sweden,

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housing benefit is payable to old-age pensioners, recipients of anticipatory pension, and people receiving survivor's pension who have low personal incomes. Housing benefit is granted according to rules that apply uniformly to the entire country.

Table 8.5 Average housing benefit per month to pensioners, 1998

	Denmark	Finland	Norway	Sweden
<i>Average housing benefit per month to married or cohabiting pensioners</i>				
– KR/FIM	1,450	731	1,271	..
– PPP-Euro	154	105	103	
<i>Average housing benefit per month to single pensioners</i>				
– KR/FIM	1,708	669	1,132	..
– PPP-Euro	181	96	92	

Expenditure on and Financing of Housing Benefits

Table 8.6 Expenditure on and financing of housing benefits, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Services, million KR/FIM</i>					
A. Housing benefit to people in rented housing	8,396	2,505	683	293	15,356
a. Of which pensioners	6,601	-	-	-	7,245
B. Housing benefit to owner- occupiers	-	110	-	1,930	-
a. Of which pensioners	-	-	-	-	-
Services, total	8,396	2,505	683	2,223	15,356
Total expenditure, million KR/FIM	8,396	2,505	683	2,223	15,356
Total expenditure per capita, PPP-Euro	168	73	26	41	160
Expenditure as percentage of GDP	0.7	0.4	0.1	0.2	0.8
<i>Financed by (per cent)</i>					
- Public authorities	100	100	100	100	100
- Employers	-	-	-	-	-
- The insured (contributions and special taxes)	-	-	-	-	-
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	163	420	140	356	-521
- Per cent	2.0	20.1	25.8	19.1	-3.3

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 Iceland spends least, followed by Norway. Both in Denmark and in Sweden, housing benefits play an important part to pensioners with low pension incomes, but particularly in Sweden, many single providers with low incomes receive housing benefits.

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Development in the social expenditure on housing benefits from 1997 to 1998

In Denmark, the expenditure on housing benefits to pensioners increased from 1997 to 1998, which was primarily due to an increase in the number of pensioners living in special housing for the elderly receiving housing benefits. The expenditure on housing benefits to families has, however, declined slightly as a result of a drop in the number of families with children receiving housing benefit.

In Finland, housing benefits to pensioners are part of the pension system, for which reason this expenditure (FIM 1.2 billion) has been included in Chapter 7. The income limit for entitlement to housing benefit was raised in 1998. On the other hand, the drop in the unemployment rate has not resulted in the need for housing benefit decreasing concurrently, as a large part of the unemployed receive either labour-market benefit or the basic amount of the daily cash benefits, which is considerably lower than the income-linked daily cash benefits.

In Iceland, the expenditure on housing benefits increased distinctly from 1997 to 1998. This can be explained partly by an increase in housing costs and consequently an increase in rent costs, and partly by the local authorities to a decreasing extent fixing the rent in municipally owned housing in accordance with the prices in the private housing market.

In Norway, the increase in the expenditure on housing benefits is mainly a result of an access of new recipients. Besides, the average amount paid to recipients increased as a result of increased housing costs.

In Sweden, revised rules governing the reception of housing benefits are the main reason for a decline in the expenditure. This is to some extent also caused by increasing incomes.

Chapter 9

Other Social Benefits

In the previous chapters, a description was given of social benefits granted in connection with defined social incidents. In a number of cases, however, social incidents that are not covered by any specific legislation may occur. It is difficult to compare the extent of services provided in such cases, both in relation to the EU and between the Nordic countries.

Table 9.1 Expenditure on other social benefits as percentage of the total social expenditure in the EU, Iceland and Norway, 1997

Denmark	4.0	Austria	1.1	Italy	0.0
Finland	2.5	Belgium	2.7	Luxembourg	1.3
Iceland	2.6	France	1.3	The Netherlands	0.4
Norway	2.7	Germany	2.3	Portugal	0.9
Sweden	3.2	Greece	1.2	Spain	0.8
		Ireland	2.1	United Kingdom	0.8

Note: See Table 4.1.

Special Circumstances in the Individual Countries

A number of special circumstances in the Nordic countries makes it difficult to compare their data in this chapter.

In Denmark and Norway, non-insured unemployed people, who are not entitled to 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 according to the labour-market legislation - and often also supplementary social aid.

In Iceland, a number of benefits under the heading 'social assistance' are payable to families and children. In the other countries, these benefits fall under special legislation.

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Supplementary to the actual social assistance, a number of other benefits may be payable:

In Denmark, these include support towards payment of non-recurrent expenses as well as removals, assistance to victims of the German occupation, financial assistance to Danish nationals living abroad, compensation to victims of crime, as well as financial support to repatriation of sailors.

In Finland, relatives of servicemen may be granted a so-called military allowance to ensure them a decent income level.

In Iceland, temporary assistance may be granted to people in extraordinarily difficult circumstances.

In Sweden, financial support may be given to Swedish nationals living abroad.

In all the Nordic countries, wage earners may receive their wages from special wage earners' guarantee funds in case insolvency of their employer makes it impossible for him 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. The assistance, which is means-tested in all the countries, is thus the last resort of assistance granted by the social security systems. It will be given either as a substitute for other income or as a supplement to a very low personal income. The assistance is individual and is granted according to need in order to meet costs of living.

The social assistance does not influence the granting of any other social benefits or subsidies in any of the countries.

In Denmark, cash assistance is a taxable gross benefit. For people obliged to provide for children, the assistance equals 80 per cent of the maximum rate of unemployment benefit. For non-providers, the assistance equals 60 per cent of the unemployment benefit. Young people under the age of 25 living, who do not have any children living at home, and who have

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not had any income from work amounting to more than 60 per cent of the unemployment benefit received for 18 months, are entitled to special, lower youth benefits.

In Iceland, social assistance is taxable. In the other countries, it is payable as a tax-free net benefit.

In Finland, cash assistance may be payable in case payment of other benefits is delayed. Local authorities may also grant benefits in order in time to prevent people from getting into financial difficulties.

In Norway, there is no upper limit to the amount of the assistance, which may also be granted by way of a loan.

In Sweden, the purpose of the social assistance is twofold: it must serve to guarantee a family a reasonable financial standard of living, and it must serve as a preventive and rehabilitating measure. Recommended norms concerning the amount of the social assistance have been prepared. Some municipalities work with one norm for long-term and another for short-term social assistance.

Table 9.2 Individuals receiving social assistance during the year, in thousands and as percentage of the population 16/18 years or over, 1990-1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Thousands</i>					
1990	235.2	255.6	4.6	178.3	339.4
1995	195.1	430.3	6.9	184.2	474.2
1997	188.8	434.9	6.4	167.0	492.6
1998	185.8	391.8	5.4	151.0	455.1
<i>As percentage of the population 16/18 years or over</i>					
1990	5.8	5.9	2.6	5.3	5.0
1995	4.7	10.9	3.5	5.5	6.9
1997	4.5	10.9	3.4	4.9	7.1
1998	4.5	9.8	2.8	4.4	5.1

Note: Calculations based on all people of 18 years and above (in Iceland 16 years) - children not included. Married couples who receive social assistance, where this assistance is payable in the name of one of the spouses only, count as two individuals. The figures for Denmark include recipients of cash assistance payable towards maintenance (incl. refugees). Activated cash assistance recipients are calculated under labour market measures. The Swedish figures also include refugees.

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Table 9.3 Number of individuals receiving social assistance, in total and as percentage of the population, per 1 December, 1995-1998

	Denmark	Finland ¹⁾	Norway
<i>Total number</i>			
1995	97,399	140,776	76,054
1997	95,655	146,255	67,735
1998	86,079	129,013	61495
<i>As percentage of the population</i>			
1995	2.4	5.2	2.3
1997	2.3	5.4	2.0
1998	2.1	4.7	2.0

1 Households in November.

Table 9.4 Individuals receiving social assistance during the year, by age. Total and as percentage of their age group, 1998

	Recipients Total	Recipients in per cent according to age				
		18-24 years	25-39 years	40-54 years	55-64 years	65+ years
<i>Denmark</i>						
Recipients, total	185,833	8.9	8.0	3.6	1.0	0.2
New, total	59,246	4.2	2.3	0.9	0.3	0.0
<i>Finland</i>						
Recipients, total	391,824	20.2	13.4	9.5	4.6	2.5
New, total	115,816	7.8	3.6	2.3	1.3	1.1
<i>Iceland</i>						
Recipients, total	5,334	4.5	3.6	2.5	1.5	0.6
New, total	2,826	2.2	1.9	1.4	0.8	0.2
<i>Norway</i>						
Recipients, total	151,003	7.6	6.4	4.3	2.5	1.0
New, total	50,274	3.2	2.0	1.2	0.7	0.4
<i>Sweden</i>						
Recipients, total	452,474	15.9	9.8	5.7	2.6	1.6
New, total	70,890	3.6	1.3	0.7	0.3	0.3

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Table 9.5 Families receiving social assistance during the year as percentage of all families, by type of family, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Families by type (per cent)</i>					
Single men	7.9	17.9	4.0	7.5	13.6
– with children	10.7	24.4	12.6	23.3	12.4
– without children	7.8	17.7	3.9	7.2	13.7
Single women	5.6	13.2	5.2	6.5	16.8
– with children	21.0	30.2	17.5	16.8	32.3
– without children	3.5	10.8	2.3	4.7	12.6
Married/cohabiting couples	6.0	6.5	0.9	3.0	4.1
– with children	10.1	8.5	1.1	3.2	6.0
– without children	3.2	5.1	0.7	2.9	2.2
Total	6.4	11.4	3.2	5.5	9.7
– with children	11.9	12.4	4.8	6.4	10.3
– without children	4.8	11.1	2.6	5.2	9.3

Note: Cf. Table 9.2. Figures for Denmark include 2,828 people whose family type has not been specified.

Table 9.6 Average amount of social assistance per family per month, 1998 (PPP-Euro)

	Denmark	Finland	Iceland	Norway	Sweden
<i>Family type</i>					
Single people	828	227	154	418	414
– with children	928	241	157	424	445
– without children	715	214	152	417	405
Married/cohabiting couple	842	274	141	592	638
– with children	899	296	137	658	661
– without children	692	251	147	524	583

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 mentioned grounds, 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 close relatives, the so-called reunion 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 has been implemented. The rules do, however, vary considerably from one country to another.

At present, most of the asylum seekers or refugees 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. Reunions of families are, however, not included in the statistics. The large number of residence permits granted to refugees in Denmark in 1995, is due to refugees from Ex-Yugoslavia, who had been granted a temporary residence permit, applying for and being granted residence permits.

In Denmark, asylum seekers get board and lodging plus pocket money during their stay at an asylum centre. Refugees, however, who have been granted a residence permit, receive social assistance according to current legislation. Central Government fully reimburses local authorities' expenditure on social assistance for the first eighteen months after the residence permit has been granted, and at 75 per cent for the following 5 years.

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 of reception.

In Norway, people who have been received in a government refugee centre are granted a maintenance allowance according to special rules applying to people staying at such centres.

In Sweden, refugees receive a special benefit from the moment they are

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received into the country, in the form of social assistance or an initial benefit to refugees. Central Government reimburses local authorities' expenditure on this benefit for three calendar years following the calendar year in which a refugee seeking asylum was granted residence and work permit.

Table 9.7 Number of refugees received who have been granted residence permit in the Nordic countries, 1990-1998

	Denmark	Finland	Iceland	Norway	Sweden
1990	3,044	639	41	3,867	12,800
1995	20,347	1,012	5	4,602	5,600
1997	5,954	942	21	3,471	9,596
1998	4,781	651	21	4,221	8,193

Table 9.8 Number of asylum seekers, 1990-1998

	Denmark	Finland	Iceland	Norway	Sweden
1990	5,292	2,743	7	3,692	29,420
1995	5,104	854	4	1,460	9,047
1997	5,092	973	6	2,271	9,662
1998	5,699	1,272	24	8,374	12,844

Services

This section only deals 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 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, hospices, homes for the homeless and others with social problems who may need temporary accommodation.

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Treatment of Alcohol and Drug Abuse

– Several kinds of treatment are available

Treatment of substance abusers is administered by special institutions for abusers. There are both institutions for alcohol abusers and institutions for drug addicts. Some of these are private institutions that have agreements with the public authorities concerning running costs. In all the countries, part of the treatment is provided by the psychiatric treatment system.

In all five countries, out-patient 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 who jeopardize themselves physically or mentally due to an extensive and permanent abuse, may, where other measures have failed, be compulsorily admitted to an institution for up to three months for examination and outlining of treatment.

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 social benefits

Expenditure on other social benefits is highest in Denmark, followed by Sweden and Norway, and lowest in Iceland measured in PPP per capita.

The relatively high expenditure in Denmark is a result of non-insured people, who are not entitled to unemployment benefit, receiving cash benefit. 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 are supplementing benefits to the unemployed. Besides, the number of refugees and asylum seekers 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 between the countries as to whether abusers are treated in special institutions or in the general somatic and psychiatric treatment system.

Development in the expenditure on other social benefits from 1997 to 1998

In Denmark, the expenditure on cash assistance, including to refugees, declined from 1997 to 1998. This decline must be seen in connection with the decrease in the unemployment rate and the increase in activation and rehabilitation.

In Finland, the expenditure on social assistance decreased substantially as a result of the decrease in the unemployment rate.

In Iceland, the expenditure on other social benefits declined by 3 per cent from 1997 to 1998. There was, however, a steeper decline in the expenditure on cash assistance by about 16 per cent, which was due to an improvement in the economy. Furthermore, a better service is provided in the municipalities, which also influences the decrease in the expenditure on cash assistance.

In Norway, the expenditure on social assistance continues to decrease. The lower expenditure is first and foremost a result of the improved conditions in the labour market. While there is a drop in the expenditure, the number of people receiving social assistance for a longer period of time, increases. Central Government's and the local authorities' expenditure on reception of refugees and immigrants increased by almost 20 per cent from 1997 to 1998.

In Sweden, the improved conditions in the labour market, as well as a stabilization of the influx of refugees into the country, have led to a reduction in the expenditure on social assistance.

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Table 9.9 Expenditure on and financing of other social benefits, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, million KR/FIM</i>					
A. Income-substituting/supplementing benefits	6,515	2,661	954	3,667	11,446
a. Of which					
social assistance	..	2,558	921	3,667	11,446
B. Other benefits	4,408	-	155	197	313
Cash benefits, total	10,923	2,661	1,109	3,863	11,759
<i>Services, million KR/FIM</i>					
A. Institutions, etc.	678	332	-	531	937
B. Rehabilitation and treatment of misusers	143	436	580	1,687	2,127
C. Other	895	562	700	1,643	3,809
Services, total	1,715	1,330	1,280	3,861	6,873
Total expenditure, million KR/FIM	12,638	3,991	2,389	7,724	18,632
Expenditure as percentage of GDP	1.1	0.6	0.4	0.7	1.0
<i>Financed by (per cent)</i>					
- Public authorities	100	100	92.5	100	100
- Employers	-	-	5.3	-	-
- Insured (contributions and special taxes)	-	-	2.2	-	-
<i>Changes 1997-1998 in terms of 1998 prices</i>					
- Million KR/FIM	-854	-447	-84	154	-335
- Per cent	-6.3	-10.7	-3.4	2.0	-1.8

Table 9.10 Expenditure on other social cash benefits and services in PPP/capita, 1998

	Denmark	Finland	Iceland	Norway	Sweden
Cash benefits, total	218	74	43	71	122
Services, total	34	37	50	70	72
Other social benefits, total	253	111	93	141	194

Chapter 10**Social Expenditure**

Following a description in the previous chapters of the social protection systems, an overall survey of the social expenditure is presented in this chapter. As stated in Chapter 2, the Nordic social expenditure statistics follow the calculation method used by EUROSTAT as from the previous edition of *Social Protection in the Nordic Countries*.

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. It should be noted that EUROSTAT has not used the adjusted GDP for the countries who have switched to the ESA95/SNA93 systems.

Table 10.1 Social expenditure as percentage of the GDP in the EU, Iceland and Norway, 1997

Denmark	31.4	Austria	28.8	Italy	25.9
Finland	29.3	Belgium	28.5	Luxembourg	24.8
Iceland	18.3	France	30.8	The Netherlands	30.3
Norway	25.7	Germany	29.9	Portugal	22.5
Sweden	33.7	Greece	23.6	Spain	21.4
		Ireland	17.5	United Kingdom	26.8

Note: See Table 4.1.

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Table 10.2 Social expenditure per capita in the EU, Iceland and Norway, 1997. PPP-Euro

	Families and children	Unemployment	Illness	Old age, disability and survivors	Housing	Other social benefits	Total
Denmark	835	834	1,198	4,518	162	266	7,812
Finland	636	673	1,107	3,557	61	124	6,158
Iceland	480	124	1,452	3,104	23	98	5,281
Norway	800	253	1,704	4,600	39	158	7,554
Sweden	688	603	1,431	4,695	169	201	7,788
Austria	634	333	1,554	3,424	19	66	6,030
Belgium	512	738	1,402	4,422	-	160	7,234
France	577	453	1,664	4,486	191	74	7,446
Germany	502	333	1,427	3,905	31	121	6,318
Greece	230	128	708	2,324	92	33	3,516
Ireland	423	504	1,148	2,103	109	66	4,355
Italy	127	91	1,161	4,732	2	1	6,160
Luxembourg	1,127	318	2,119	6,946	12	111	10,634
The Netherlands	222	659	1,834	4,985	77	23	7,800
Portugal	134	127	839	2,239	1	23	3,364
Spain	66	454	249	1,980	11	25	2,785
United Kingdom	439	194	1,253	3,794	339	40	6,059

The account of the social expenditure has been divided into four sections. Firstly, an account is given of the social expenditure trends from 1990 to 1998; secondly, the financing of the total social expenditure is shown, followed by a survey of the purposes of the social expenditure, and finally, the significance of taxation in relation to the total social expenditure is shown. The Swedish figures for 1990 have been calculated by means of the previous NOSOSCO specification, while the other countries have used the specification in the ESSPROS manual.

Social Expenditure Trends, 1990-1998

The development in the social expenditure, in total and per capita, in current and fixed prices as well as in relation to the gross domestic product (GDP) and in purchasing power parities (PPP-Euro) since 1990, appears from the tables below. It should be noted that all the countries now use the ESA95/SNA-93 classification when calculating the GDP (cf. Chapter 2), which has resulted in corrections in respect of the gross domestic products.

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Table 10.3 Social expenditure, in total and per capita, 1990-1998

	Social expenditure		Social expenditure per inhabitant		Social expenditure per inhabitant aged 15-64 years	
	At current prices, million KR/FIM	At 1998 prices, million KR/FIM	At current prices KR/FIM	At 1998 prices KR/FIM	At current prices KR/FIM	At 1998 prices KR/FIM
<i>Denmark</i>						
1990	237,207	278,006	46,150	54,088	68,502	80,284
1995	325,634	346,005	62,288	66,184	92,442	98,203
1997	339,195	345,384	64,180	65,351	95,596	97,340
1998	349,200	349,200	65,874	65,874	98,283	98,283
<i>Finland</i>						
1990	131,369	151,862	26,345	30,455	39,146	45,253
1995	179,564	185,336	35,155	36,385	52,662	54,355
1997	185,989	188,599	36,185	36,693	54,272	55,034
1998	187,798	187,798	36,444	36,444	54,592	54,592
<i>Iceland</i>						
1990	62,290	78,423	244,478	307,798	379,572	477,881
1995	85,984	90,970	321,580	340,226	499,834	528,816
1997	96,962	98,607	357,793	363,862	553,707	563,099
1998	107,414	107,414	392,021	392,021	606,859	606,859
<i>Norway</i>						
1990	190,406	227,535	44,892	53,646	69,334	82,854
1995	253,620	269,641	58,181	61,856	90,091	95,782
1997	282,776	289,313	64,194	65,678	99,429	101,728
1998	309,548	309,548	69,860	69,860	108,082	108,082
<i>Sweden</i>						
1990	470,013	581,876	54,916	68,049	85,552	105,913
1995	588,689	593,967	66,692	67,290	104,726	105,665
1997	609,567	608,584	68,909	68,798	107,984	107,809
1998	629,726	629,726	71,146	71,146	111,266	111,266

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Table 10.4 Social expenditure in relation to the GDP, 1990-1998¹⁾

	GDP, million KR/FIM	Social expenditure as percentage of the GDP	Index for social expenditure in relation to the GDP (1990 = 100)
<i>Denmark</i>			
1990	825,310	28.7	100
1995	1,009,756	32.2	112
1997	1,111,958	30.5	106
1998	1,163,820	30.0	104
<i>Finland</i>			
1990	523,034	25.2	100
1995	564,566	31.6	125
1997	635,532	29.3	116
1998	686,742	27.3	108
<i>Iceland</i>			
1990	364,402	17.1	100
1995	451,548	19.0	111
1997	529,951	18.1	106
1998	586,673	18.3	107
<i>Norway</i>			
1990	722,705	26.4	100
1995	928,745	27.3	103
1997	1,089,032	30.0	106
1998	1,107,082	30.0	106
<i>Sweden</i>			
1990	1,410,607	33.3	100
1995	1,713,316	34.4	103
1997	1,813,128	33.3	100
1998	1,890,202	33.3	100

1 The GDP has been revised.

Table 10.5 Social expenditure per capita, 1990-1998 (PPP-Euro in terms of 1998-prices)

	Denmark	Finland	Iceland	Norway	Sweden
1990	5,730	4,379	3,266	4,340	6,272
1995	7,011	5,231	3,610	5,005	6,202
1997	6,923	5,276	3,861	5,314	6,341
1998	6,978	5,240	4,160	5,652	6,557

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 to be found in the funds established to guarantee pensions, 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, employers, as well as contributions and special taxes payable by the insured. As mentioned in Chapter 2, the social costs are listed as net amounts, which means that investments, etc., and user charges payable for social services have not been included.

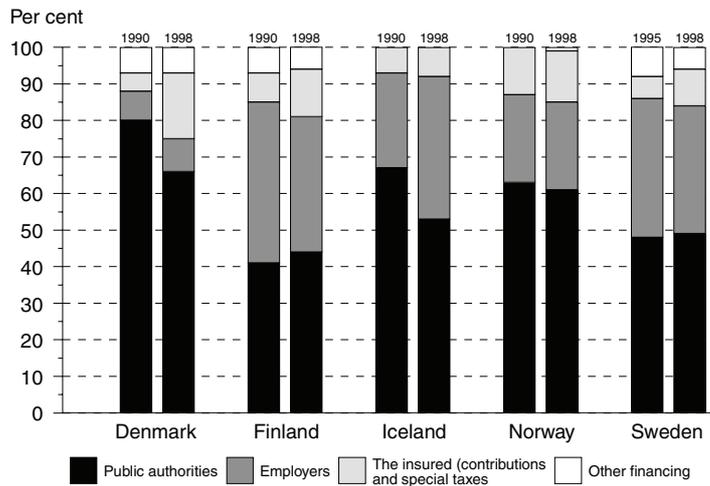
The distribution of current contributions to the financing of social expenditure during the years 1990-1998 is shown in Table 10.6.

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Table 10.6 Current contributions to the financing of the social expenditure in per cent, broken down by contributions made by Central Government, local authorities, employers and the insured, 1990-1998

	Public au- thorities, to- tal	Employers	The insured (contri- butions and special taxes)	Other financing	Total
<i>Denmark</i>					
1990	80	8	5	7	100
1995	71	9	14	6	100
1997	68	8	18	6	100
1998	66	9	18	6	100
<i>Finland</i>					
1990	41	44	8	7	100
1995	46	34	14	7	100
1997	45	35	13	7	100
1998	44	37	13	7	100
<i>Iceland</i>					
1990	67	26	7	—	100
1995	61	31	8	—	100
1997	57	35	8	—	100
1998	53	39	8	—	100
<i>Norway</i>					
1990	63	24	13	—	100
1995	62	22	15	—	100
1997	62	24	15	—	100
1998	61	24	14	1	100
<i>Sweden</i>					
1990	..	..	..	..	100
1995	48	38	5	8	100
1997	48	39	7	6	100
1998	49	35	10	6	100

Figure 10.1 Current contributions to the financing of the social expenditure, 1990 and 1998



Block Grants and Government Reimbursement to Local and County Authorities

In all the Nordic countries, the local authorities are responsible for the administration of part of the social services and benefits. The local authorities have direct contact with citizens and recipients of social benefits, and it is also local authorities that, in the first instance, meet the costs of services and benefits.

Local and county authorities receive block grants and/or reimbursement from Central Government. A block grant may be given as a general contribution or may be ear-marked for specific purposes. Block grants 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 various municipalities.

Government reimbursement may be fixed by law as percentage shares of municipal expenditure or as fixed amounts. Government reimbursement may also be calculated as the difference between expenditure and other contributions, including municipal contributions.

In Denmark, local authorities manage 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 managed by government or other central bodies.

The majority of the social services are, in all Nordic countries, managed by the local or county authorities, who meet the costs in the first instance and subsequently receive block grants from Central Government.

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 building up of funds.

The purpose of the funds, which have gradually gained in significance, may be to guarantee that means are available for future payments (premium reserve systems). The building up 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 level variations in incoming and outgoing payments over time.

In Norway, social expenditure, including expenditure on supplementary pensions, is currently financed by the public budget, and the expenditure is consequently excluded from Table 10.7. The Social Security Fund is an independent, public fund and does not contribute direct to the financing of the running costs of the social security service.

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Table 10.7 Development in funds for pension purposes, 1990-1998. Billion KR/FIM in terms of 1998 prices

	Basic pension	Supplementary pension	Additional pension
<i>Amount of the funds</i>			
<i>Denmark¹⁾</i>			
At the beginning of the year, 1990	-	94.5	139.5
At the end of the year, 1990	-	101.3	150.7
At the beginning of the year, 1998	-	187.2	244.6
At the end of the year, 1998	-	199.7	265.1
<i>Finland²⁾</i>			
At the beginning of the year, 1990	0.8	116.4	38.0
At the end of the year, 1990	0.7	139.4	42.0
At the beginning of the year, 1998	1.5	261.4	39.7
At the end of the year, 1998	2.0	287.7	41.2
<i>Iceland</i>			
At the beginning of the year, 1990	0.1	128.5	-
At the end of the year, 1990	0.1	157.5	-
At the beginning of the year, 1998	-	352.7	-
At the end of the year, 1998	-	407.3	-
<i>Sweden</i>			
At the beginning of the year, 1990	9.5	516.3	224.5
At the end of the year, 1990	11.1	521.2	244.5
At the beginning of the year, 1998	6.3	619.8	485.2
At the end of the year, 1998	. ³⁾	641.5	559.4

1 As from 1998, accounting policies have been adapted to the legislation in respect of assessment of property, assets, etc. The size of the fund at the end of the year 1998 is including the temporary pension saving scheme, but excluding the Employees' Capital Pension Fund.

2 The additional pensions are exclusive of the pension funds and societies that are administered by the life insurance schemes.

3 The Part-Pension Fund was phased out during 1998.

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Social Expenditure by Type and Purpose

Social expenditure is divided by type in cash benefits and services. By distributing the benefits according to purpose, the 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

Table 10.8 The social expenditure in per cent, broken down by main groups, 1995-1998

	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	36.5	28.9	27.2	31.2	34.3
Disability	10.3	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>1997</i>					
Families and children	12.6	12.6	12.5	13.5	11.1
Unemployment	12.6	13.3	3.2	4.3	9.4
Illness	18.9	21.9	37.9	31.4	22.4
Old age	38.2	29.9	28.3	30.6	37.3
Disability	11.1	14.7	12.0	15.5	11.7
Survivors	0.1	4.0	2.9	1.4	2.3
Housing	2.4	1.2	0.6	0.7	2.6
Other social benefits	4.0	2.4	2.6	2.7	3.2
Total	100.0	100.0	100.0	100.0	100.0
<i>1998</i>					
Families and children	13.0	12.8	12.6	13.3	11.2
Unemployment	11.7	12.0	2.6	2.9	9.3
Illness	19.3	22.7	38.1	32.4	22.9
Old age	38.3	30.5	28.7	31.2	37.2
Disability	11.6	14.4	12.1	15.5	11.6
Survivors	0.1	4.0	3.0	1.4	2.3
Housing	2.5	1.4	0.6	0.7	2.5
Other social benefits	3.7	2.2	2.3	2.6	3.0
Total	100.0	100.0	100.0	100.0	100.0

1 Services in connection with illness, to the elderly, and the disabled have not been corrected.

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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 is differences in the individual countries' assessment of the importance of benefits for various purposes.

Table 10.9 Social expenditure, in per cent broken down by type and purpose, 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Families and children</i>					
Cash benefits	40.9	60.1	53.2	61.8	48.8
Services	59.1	39.9	46.8	38.2	51.2
Total	100.0	100.0	100.0	100.0	100.0
<i>Unemployment</i>					
Cash benefits	93.5	91.0	88.1	60.8	87.2
Services	6.5	9.0	11.9	39.2	12.8
Total	100.0	100.0	100.0	100.0	100.0
<i>Illness</i>					
Cash benefits	17.1	19.2	19.1	30.5	22.3
Services	82.9	80.8	80.9	69.5	77.7
Total	100.0	100.0	100.0	100.0	100.0
<i>Old age</i>					
Cash benefits	83.5	90.2	72.4	70.2	77.5
Services	16.5	9.8	27.6	29.8	22.5
Total	100.0	100.0	100.0	100.0	100.0
<i>Disability</i>					
Cash benefits	66.5	79.8	67.9	80.5	64.8
Services	33.5	20.2	32.1	19.5	35.2
Total	100.0	100.0	100.0	100.0	100.0
<i>Survivors</i>					
Cash benefits	0.7	99.5	100.0	94.7	100.0
Services	99.3	0.5	0.0	5.3	0.0
Total	100.0	100.0	100.0	100.0	100.0
<i>Housing</i>					
Services	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0
<i>Other social benefits</i>					
Cash benefits	86.4	66.7	46.4	50.0	63.1
Services	13.6	33.3	53.6	50.0	36.9
Total	100.0	100.0	100.0	100.0	100.0
<i>Cash benefits, total</i>	62.4	67.4	56.6	57.2	59.2
<i>Services, total</i>	37.6	32.6	43.4	42.8	40.8
<i>Social expenditure, total</i>	100.0	100.0	100.0	100.0	100.0

Taxation Rules and the Impact of Taxation on Social Expenditure

Social cash benefits may be either exempt from tax or subject to tax. In all the countries, it is of great significance whether the benefits are 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 over the last few years in all five countries. There are, however, considerable differences from one country to another. The largest tax-free cash benefit amounts are granted to families and children. Other social benefits (social assistance) are subject to tax in Denmark and Iceland, but are exempt from tax in the other Nordic countries. According to the ESSPROS specification, housing benefits are services.

Table 10.10 Cash benefits exempt from tax/subject to tax, total and as percentage of the GDP, 1995-1998

	Cash benefits exempt from tax		Cash benefits subject to tax	
	Total, million KR/FIM	As percent- age of GDP	Total, million KR/FIM	As percent- age of GDP
<i>1995</i>				
Denmark	18,764	1.9	188,292	18.6
Finland	15,965	2.8	106,889	18.9
Iceland	6,574	1.5	37,653	8.3
Norway	20,204	2.2	126,225	13.6
Sweden	32,457	2.0	323,257	19.7
<i>1997</i>				
Denmark	21,113	1.9	190,024	17.1
Finland	16,151	2.5	108,046	17.0
Iceland	6,351	1.2	42,950	8.1
Norway	20,538	1.9	138,898	12.8
Sweden	31,112	1.1	334,884	19.0
<i>1998</i>				
Denmark	19,890	1.7	192,030	16.5
Finland	15,252	2.2	107,397	15.6
Iceland	6,095	1.0	46,576	7.9
Norway	21,385	1.9	150,957	13.6
Sweden	32,609	1.7	334,764	17.7

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Table 10.11 Taxation of cash benefits, 1998

	Social expenditure, million KR/FIM	Of which cash benefits, million KR/FIM	Cash bene- fits exempt from tax, as percentage of total cash benefits	Cash bene- fits subject to tax, as percentage of total cash benefits
	1.	2.	3.	4.
<i>Denmark</i>				
I. Families and children	44,080	18,040	65	35
II. Unemployment	39,626	37,038	-	100
III. Illness	65,511	11,200	-	100
IV. Old age	129,983	108,588	2	98
V. Disability	39,261	26,128	17	83
VI. Survivors	183	1	100	-
VII. Housing	8,396	-	.	.
VIII. Other social benefits	12,638	10,923	10	90
IX. Administration	9,519	-	.	.
Total I.-IX.	349,197	211,919	9	91
<i>Finland</i>				
I. Families and children	23,297	14,007	64	36
II. Unemployment	21,888	19,929	2	98
III. Illness	41,279	7,951	-	100
IV. Old age	55,463	50,024	4	96
V. Disability	26,157	20,872	7	93
VI. Survivors	7,254	7,221	3	97
VII. Housing	2,615	-	.	.
VIII. Other social benefits	3,991	2,661	98	2
IX. Administration	5,855	-	.	.
Total I.-IX.	187,798	122,665	13	87
<i>Iceland</i>				
I. Families and children	13,331	7,089	67	33
II. Unemployment	2,764	2,434	7	93
III. Illness	40,107	7,664	-	100
IV. Old age	30,292	21,936	-	100
V. Disability	12,701	8,625	8	92
VI. Survivors	3,152	3,152	6	94
VII. Housing	683	-	.	.
VIII. Other social benefits	2,356	1,109	-	100
IX. Administration	1,995	-	.	.
Total I.-IX.	107,381	52,693	12	88

/ ... to be continued

SOCIAL EXPENDITURE

Table 10.12 ... continued

	Social expenditure, million KR/FIM	Of which cash benefits, million KR/FIM	Cash bene- fits exempt from tax, as percentage of total cash benefits	Cash bene- fits subject to tax, as percentage of total cash benefits
	1.	2.	3.	4.
<i>Norway</i>				
I. Families and children	40,236	24,882	62	38
II. Unemployment	8,928	5,432	-	100
III. Illness	98,367	29,956	-	100
IV. Old age	94,777	66,496	-	100
V. Disability	46,957	37,804	6	94
VI. Survivors	4,127	3,909	-	100
VII. Housing	2,223	-	.	.
VIII. Other social benefits	7,724	3,863	95	5
IX. Administration	6,209	-	.	.
Total I.-IX.	309,548	172,342	14	86
<i>Sweden</i>				
I. Families and children	66,812	33,992	58	42
II. Unemployment	57,802	50,417	-	100
III. Illness	145,208	31,743	-	100
IV. Old age	230,454	178,710	-	100
V. Disability	71,987	46,679	2	98
VI. Survivors	14,073	14,073	-	100
VII. Housing	15,356	-	.	.
VIII. Other social benefits	18632	11,759	100	-
IX. Administration	9,402	-	.	.
Total I.-IX.	629,726	355,344	6	94

Chapter 11

Differences and similarities in the Social Expenditure on the Elderly, the Disabled and Survivors

Introduction

Expenditure on the elderly, the disabled and survivors make up the largest total item of the social expenditure in all the Nordic countries, also when measured against the GDP. Measured in purchasing power parities, Denmark and Sweden spend almost the same, Finland and Norway somewhat less and Iceland the least. However, the differences in the total expenditure cover rather large differences in the expenditure levels in the various single areas, which is partly due to the way in which old-age policy has been organised. But the differences are also caused by differences in the priority given by the countries to the individual areas.

On this background, NOSOSCO decided at its annual plenary session in August 1999 that this year's theme section should attempt to uncover in more detail the differences and similarities in the social expenditure used on the elderly, the disabled and survivors.

In carrying out such a task one encounters a number of problems, however. Although one attempts, by means of the ESSPROS manual, to calculate social expenditure in a uniform way, it is in reality often difficult to separate expenditure on the elderly and the disabled, for instance.

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Table 11.1 Expenditure on cash benefits and services to the elderly, the disabled and survivors 1998. PPP/capita and percentages of GDP

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits to elderly people</i>	2,170	1,396	850	1,214	1,861
Services to elderly people	428	152	324	516	539
Elderly people, total	2,598	1,548	1,174	1,730	2,400
Cash benefits to the disabled	522	582	334	690	486
Services to the disabled	262	147	158	167	264
Disabled, total	785	730	492	857	750
Survivors, total	4	202	122	75	147
Cash benefits and services, total	3,386	2,480	1,788	2,662	3,296
As percentages of GDP	14.5	13.0	7.9	13.2	16.7

Similarly, difficulties arise in the definition of respective target groups, such as young disabled people, the elderly and survivors, including a clear distinction of which groups of individuals receive the respective cash benefits and services, and how big a share goes to the respective target groups.

It is therefore difficult to give an exact explanation of the differences and similarities, but as the following will show, differences are caused by some countries being more generous in some areas than others, and by the existence of differences in priorities and needs in individual areas.

To carry out the analysis, a working group was set up with the following members:

Per Kampmann	Ministry of Social Affairs, Denmark
Tiina Heino	Ministry of Social Affairs and Health, Finland
Hrönn Ottosdóttir	Directorate of Social Security, Iceland
Anita M Sivertsen	Ministry of Health and Social Affairs, Norway
Linda Gustafsson	Ministry of Health and Social Affairs, Sweden
Mårten Lagergren	Ministry of Health and Social Affairs, Sweden (chairman of the working group)
Johannes Nielsen	NOSOSCO's secretariat

Cash benefits to the elderly

Table 11.2 Expenditure on cash benefits to the elderly, PPP/capita and percentages of GDP 1998

	Denmark	Finland	Iceland	Norway	Sweden
A. Old-age pensions	1,581	1,277	850	1,209	1,854
Of which:					
- a. Basic pension/ Guaranteed minimum pension	1,058	315	491	551	548
- b. Employment pension	81	915	359	518	926
- c. Supplementary pension	442	47	-	140	380
B. Special old-age pension	584	87	-	6	-
C. Partial retirement pension	5	9	-	-	3
D. Other	0	23	-	-	0
Cash benefits total	2,170	1,396	850	1,215	1,861
Percentage of GDP	9.3	7.3	3.7	6.0	9.5

All the Nordic countries have considerable expenditure on cash benefits for the elderly. Expenditure varies from 3.7 per cent of the GDP in Iceland to 9.5 per cent of the GDP in Sweden. Denmark has the highest expenditure on cash benefits to the elderly measured in PPP/capita, followed by Sweden. As for old-age pensions, Sweden has the highest expenditure measured in PPP/capita, followed by Denmark. Expenditure in Finland is largely on the same level as in Norway.

Basic/guaranteed minimum pension, employment pensions and supplementary pensions make up varying portions of the total expenditure on old-age pensions in the five countries. The correlation between pension schemes varies somewhat among the countries as well, cf. Chapter 7. Employment pensions play the largest part in the Swedish and Finnish pension systems and are getting more important in Iceland and Norway, while supplementary pensions are most important in Denmark and Sweden. In Denmark, the basic pension makes up 67 per cent of the total expenditure on old-age pensions while the expenditure on the guaranteed minimum

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pension is only approximately 25 per cent in Finland. Employment pensions account for only 5 per cent of the total expenditure in Denmark, but 72 per cent in Finland. In Iceland and Norway, the expenditure on the basic pension is somewhat higher than on the employment pension while the employment pension in Sweden accounts for 50 per cent and the basic/guaranteed minimum pension accounts for 30 per cent of the total expenditure. The latter is allegedly connected with the employment pension system being fully developed in Sweden. In Finland, the housing benefit is a part of the pension system, while the housing benefit is paid out separately in the other countries. The expenditure on housing benefit is therefore in the case of Finland included in the pension expenditure.

Supplementary pension schemes are normally set up through collective agreements and are mostly granted to public employees. The expenditure on the supplementary pension schemes varies considerably between countries. In Denmark, anticipatory pensioners are not entitled to employment pension, but may receive supplementary pensions. These, however, are hard to separate from the supplementary pensions to the elderly, for which reason the expenditure on the supplementary pensions to anticipatory pensioners is included under the elderly. In Denmark, the supplementary pensions account for approximately 28 per cent of the total expenditure on old-age pensions. Public employees in Finland have no supplementary pension schemes and the supplementary pension schemes do not play a significant part in Finland. In Iceland, there are no longer any supplementary pension schemes.

There are considerable variations in the level of the special old-age pensions. The high expenditure on special old-age pensions in Denmark is mainly due to the voluntary early retirement scheme, under which members of an unemployment insurance fund aged 60-66 years may voluntarily leave the labour market (see Chapter 7). There is also a special transition allowance for long-term unemployed recipients of unemployment benefit aged between 50 and 59 years, which they may receive until they qualify for voluntary early retirement. This scheme was closed for new recipients at the end of 1995. Special old-age pensions in Denmark also include the ordinary anticipatory pension, of which a large part is health related (disability pensions). In addition, no pension is paid to surviving spouses in Denmark, but an ordinary anticipatory pension may be granted on social criteria.

In Finland the special old-age pensions include early old-age pension and pensions to farmers, while in the case of Norway, there is the expenditure on state subsidies for agreement regulated pensions (ARP). This is a scheme under which people in active employment under certain conditions are allowed

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

to retire from the age of 62 with a full pension until the pensionable age of 67.

In Denmark, Finland and Sweden, it is possible to receive partial retirement pension, and the benefit is granted to people who wish to gradually retire from the labour market before the normal pensionable age. The age limit for partial retirement pension is 60 years in Denmark, 56 years in Finland and 61 years in Sweden. The expenditure on partial retirement pension is highest in Sweden, but the partial retirement pensions are being phased out, and no new partial retirement pensions will be granted after 2000. In Finland, partial retirement pensions are granted solely from the employment pension schemes.

Other expenditure in Finland is primarily pensions to war veterans.

Table 11.3 Selected key figures 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Pension age</i>	67 years	65 years	67 years	67 years	65 years
<i>Old-age pension, total. Mill. Kr/FIM</i>	79,100	47,893	21,936	66,192	178,067
Old-age pensioners (1.000) ¹⁾	709	847	28	631	1,598
Expenditure per pensioner in Kr/FIM	111,565	56,544	783,429	104,900	112,062
Expenditure per pensioner in PPP/Euro	11,818	8,130	8,313	8,487	10,328
<i>Disposable income for pensioners in typical cases as percentage of income when working 1998</i>					
- Singles	63	64	85	62	82
- Couples	52	66	76	57	82
Taxation in relation to actively employed people	As actively employed	Lower taxation	As actively employed	Lower taxation	Lower taxation

1 Excluding special old-age pensioners.

In Sweden, the population aged 65 years and over make up 18 per cent of the total population. In Norway, it is 15 per cent, in Denmark 15 per cent, in Finland 14 per cent and in Iceland only 12 per cent. The expenditure on old-age pensions measured in PPP per pensioner is highest in Den-

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mark, followed by Sweden and Norway and lowest in Finland and Iceland. For Danish pensions, it should be noted that they are fully taxed as earned income, which is also reflected in the relatively low compensation rates. This is, however, also related to the importance of the supplementary pensions. The low expenditure in Iceland is very much due to the actual retirement age being much higher than in the other Nordic countries. This means that part of those who receive pension are paid a reduced amount, both due to income from work and to the amount of the employment pension.

Additionally, it should be noted that special rules for taxation of pensions and other cash benefits such as housing benefit to pensioners affect the disposable income differently for single pensioners and for couples compared to previous income when employed in typical cases (see Appendix 2).

Denmark, which has the highest expenditure per old-age pensioner, generally has the lowest level of compensation, which, as mentioned, is due to the full taxation of pensions and the fact that supplementary pensions, which play a significant part, are not included in the calculations. Sweden has both a high expenditure per pensioner and a high level of compensation. Iceland, which has the lowest expenditure has a relatively high compensation level, which is caused by a generally low taxation.

In Finland the compensation level is generally the same for singles and couples. The high compensation level must, however, be seen in connection with favourable taxation rules and the housing benefit for pensioners being a part of the pension system.

Expenditure on Services to the Elderly

There are major differences in the expenditure on services to the elderly among the Nordic countries. The service expenditure in PPP per capita is highest in Norway and Sweden, somewhat lower in Denmark and considerably lower in Iceland and especially in Finland. The expenditure in Norway and Sweden is about 25 per cent higher than the average for all the Nordic countries, while the expenditure in Denmark is roughly corresponding to the average. The expenditure in Iceland is almost 30 per cent below the average, while the expenditure in Finland only corresponds to just below 40 per cent of the average expenditure per capita in the Nordic countries as a whole. However, if the beds in the health centres were included, the Finnish expenditure would be at the same level as it is in Iceland.

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Table 11.4 Expenditure on services to the elderly, PPP per capita 1998

	Denmark	Finland ¹⁾	Iceland	Norway	Sweden
Institutions	126	76	283	323	399
Carrying out daily tasks	291	47	22	169	126
Other	10	29	19	24	14
Total	427	152	324	516	539
Expenditure as a percentage of the GDP	1.8	0.8	1.4	2.6	2.7

1 The expenditure on beds for the elderly in health centres was approximately FIM 1.3 billion corresponding to 1.2 per cent of the GDP.

It is not possible to compare the expenditure on institutions, etc. for the elderly and help to carry out daily tasks between the Nordic countries. The expenditure on institutions for the elderly in Denmark mainly includes only the expenditure on the institution itself, that is the residential part of the institution, while the expenditure on nursing and care for residents is included under help for carrying out daily tasks. In addition, the institution expenditure for several of the countries is a mix of the nursing expenditure and the actual rent expenditure, as rent is included in some cases, not in others. Finally, the Finnish institution expenditure becomes more than twice as high if the cost of beds at health centres is included. Another reason for the Finnish expenditure being so low is that only institutions with 24-hour care are included under places at institutions. The expenditure on service housing is included under other expenditure.

On this background, only the total expenditure on services to the elderly is compared between the Nordic countries in the following.

The differences in the expenditure is among other things connected to differences in the percentage of elderly people in the populations of the Nordic countries. The percentage of people aged 65 and over is highest in Sweden, where they make up approximately 18 per cent, and lowest in Iceland, where they make up only approximately 12 per cent. The differences in the expenditure on services between the Nordic countries will therefore be somewhat altered when the expenditure is calculated in PPP per capita for the age group 65 years and over.

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Table 11.5 Social service expenditure on the elderly, PPP per capita aged 65 and over, 1998

	Denmark	Finland	Iceland	Norway	Sweden
Per capita aged 65 and over	2,865	1,036	2,801	3,321	3,097
Per capita aged 80 and over	10,896	4,600	12,171	12,302	11,091

Expenditure in PPP per capita for the age group 65 years and over is highest in Norway and somewhat lower in Sweden. Expenditure in Denmark is slightly below that in Norway, but not much less than in Sweden. Expenditure in Iceland is almost at a level with Denmark, while expenditure in Finland is still considerably lower than in the rest of the Nordic countries.

Expenditure on services to the elderly depends especially on the number of people aged 80 years and over, since people in this age group have the highest need for nursing and care. The percentage of elderly aged 80 years and over is highest in Sweden and lowest in Iceland. Expenditure per capita aged 80 and over is slightly higher in Norway and Iceland than in Sweden and Denmark. Norway still has the highest expenditure and Finland the lowest.

Part of the difference between the Nordic countries is connected to the way expenditure on social services to the elderly is calculated:

- Expenditure on home nursing in Sweden is partially included under expenditure on services to the elderly, as municipal expenditure on home nursing (50 per cent) is included under services to the elderly, while county expenditure (50 per cent) is included under health. For the other countries all expenditure on home nursing is included under health.
- Whereas the elderly in the other Nordic countries live in nursing homes and other institutions or in service housing under the social sector, a significant part of the elderly in Finland are in the wards of the health centres. Expenditure on nursing homes is included under health expenditure.
- A significant part of the expenditure on services is made up of wages to personnel caring for the elderly. The wage level for health personnel in Denmark and Norway is higher than it is in the other Nordic countries and may therefore to a certain extent explain some of the differences. In addition, the number of staff plays a part.

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

- Expenditure on services to the elderly are, like all other expenditure in the Nordic statistics, stated after deduction of the user charges for a stay at an institution and for home help. User charges payable for a stay at an institution in Finland are approximately 21 per cent and for home help approximately 15 per cent, which is slightly higher than in the other Nordic countries. User charges payable for home help in Iceland are approximately 8 per cent. In Denmark permanent home help is free of charge and makes up by far the largest part of all home help to the elderly. User charges payable for a stay at an institution cannot be calculated separately in Sweden, but make up a total of approximately 9 per cent of the gross expenditure. In Denmark user charges payable for a stay at an institution amount to approximately 10 per cent.
- Among other things, the amount of user charges payable for a stay at an institution depends on whether pensioners in nursing homes are paid an allowance, or are paid their pension, in which case they must pay more for their stay. The net expenditure on institutions will, all other factors being equal, be higher in countries where residents are paid an allowance than in countries where residents receive their pension in full. In Norway, residents at municipal old-age and nursing homes are paid an allowance, while county and state institutions do not charge any user charges. Residents here receive a reduced pension. In the other countries, residents receive their pension in full.

Differences in the expenditure on services to the elderly is naturally also connected to differences in the number of the elderly who live in institutions, and the number of elderly receiving home help.

Table 11.6 Percentage of elderly aged 65/67 and over living in institutions and/or receiving home help, 1998

	Denmark ¹⁾	Finland ²⁾	Iceland ³⁾	Norway ⁴⁾	Sweden ⁵⁾
In institutions	9.0	6.5	9.6	11.1	7.7
Home help	23.7	11.2	19.3	15.9	8.2

1 The age group is 67 and over.

2 Recipients of home help are households over 65 years.

3 In institutions only residents in nursing and old-age homes are included. Recipients of home help is the age group 65-79 years.

4 The age group is 67 years and over.

5 In institutions only people permanently residing in an institution are included. Recipients of home help are calculated as at November 1st 1998, and only those living in their own residence.

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The proportion of the elderly aged 65/67 years and over living in institutions, etc., is highest in Norway followed by Iceland. It is a little lower in Denmark and Sweden and particularly in Finland. The proportion of the elderly receiving home help on the other hand is clearly highest in Denmark. It is somewhat lower in Iceland and Norway and considerably lower in Sweden and Finland.

Compared to the total number of people living in institutions, etc., or receiving home help, expenditure on services to the elderly is estimated to be highest in Sweden followed by Norway. Expenditure is slightly lower in Iceland and Denmark and considerably lower in Finland.

Expenditure on home help per recipient is generally considerably lower than expenditure per resident in an institution/nursing home. The difference in expenditure per recipient of home help/resident in an institution is thus to a certain extent connected to the balance between care in one's own home and care in an institution between the Nordic countries. This is part of the reason for the relatively low expenditure in Denmark.

The relatively high expenditure in Sweden is, among other things, related to recipients of home help on average receiving help for more hours than in the other countries.

Cash benefits to the Disabled

Expenditure on cash benefits to the disabled varies considerably between the Nordic countries. Norway spends the most followed by Finland, while Denmark and Sweden are largely at the same level and Iceland spends the least.

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Table 11.7 Expenditure on cash benefits to the disabled in PPP/capita and per cent of GDP 1998.

	Denmark	Finland	Iceland	Norway	Sweden
A. Disability/anticipatory pension, total	348	426	328	512	449
<i>Of which:</i>					
- a. Basic/minimum pension	348	108	231	209	141
- b. Employment pension	-	315	97	260	246
- c. Supplementary pension	-	3	-	43	62
B. Early retirement benefit due to reduced working capacity	35	87	-	-	-
C. Care allowance	-	12	-	43	27
D. Financial integration of the disabled	66	7	-	116	10
E. Other	38	51	6	20	-
Total	487	583	334	691	486
As percentage of GDP	2.2	3.0	1.5	3.4	2.5

Disability/Anticipatory pensions

The basic pension, employment pension and supplementary pension are of different importance in the Nordic countries. In Denmark, anticipatory pensioners are not entitled to employment pension, but may receive supplementary pensions. These, however, are difficult to separate from supplementary pensions to the elderly, for which reason expenditure on supplementary anticipatory pensions is included under the elderly. The basic pension plays the most important part in Iceland since basic pensions account for 68 per cent of the expenditure on disability pension. In Finland the basic pension has a 25 per cent share of the total payments. Employment pension therefore plays the most important part as is also the case in Sweden. In Norway, the basic and employment pensions carry almost the same weight. The supplementary pensions play the largest part in Sweden followed by Norway.

The total expenditure on disability/anticipatory pension is also affected by the housing benefit, which in Finland is part of the pension system. In all the countries, housing benefit is granted on means-tested criteria.

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It should be noted that the total expenditure on cash benefits is highest in countries, except in Finland, where there are other cash benefits besides disability/anticipatory pension.

Disability/anticipatory pensions do not play an equally important part in all the countries. The proportion of disability/anticipatory pensioners among those aged 16/18-64 years is highest in Finland with 8.5 per cent of the population and lowest in Denmark with 4.3 per cent. The relatively low number of anticipatory pensioners in Denmark is especially due to the general anticipatory pension being included as a special old-age pension in this publication.

The average disability/anticipatory pension is highest in Denmark followed by Finland, Norway and Sweden, the latter three being at almost the same level and Iceland being at the lowest level. The high level in Denmark is due to only the highest and intermediate anticipatory pensions being included since the general anticipatory pension, as mentioned above, is included under the special old-age pensions. Furthermore, taxation of pensions are higher in Denmark than in the other countries.

Table 11.8 Selected key figures, 1998

	Denmark	Finland ¹⁾	Iceland ²⁾	Norway	Sweden
<i>Pensionable age</i>	18-66 years	16-64 years	16-66 years	16-66 years	16-64 years
Expenditure on disability/anticipatory pensions, total. Million Kr/FIM	19,212	16,706	8,168	27,995	43,076
Disability/anticipatory pensioners (1,000)	165	288	9	258	422
Percentage of disability/anticipatory pensioners of the working age population	4.3	8.5	5.3	8.2	7.6
Expenditure per pensioner in Kr/FIM	116,436	57,997	877,808	108,508	102,076
Expenditure per pensioner in PPP/Euro	12,344	8,339	9,315	8,779	9,408
Disposable income for a single pensioner in typical cases as percentage of income when working	83	64	..	65	81
Taxation in relation to actively employed	As actively employed	Lower taxation	As actively employed	Lower taxation	Lower taxation

1 Including individual anticipatory pensions.

2 Icelandic figures are calculated. Neither the recipients of disability benefit nor the expenditure on this are included.

Care allowance

There is a care allowance payable to the disabled in all the Nordic countries as part of the pension. In addition, in both Norway and Sweden different supplementary care allowances and benefits are given to the disabled, which to a minor extent is also the case in Finland, but not in Denmark and Iceland. The payment of wages to people aiding a disabled person is included under expenditure on services.

Integration of the disabled in working life

In all the Nordic countries the disabled receive a benefit (wages or daily cash benefits) when they carry out a job adapted to their situation, or when they undergo vocational training. Especially in Norway, but to a certain degree also in Denmark, large cash benefits are paid in connection with rehabilitation.

Other cash benefits

Under other expenditure mainly the expenditure in connection with military and war pensions in Denmark, Finland and Norway is included. In Denmark, cash benefits towards payment of extra expenses for disabled children and adults are also included, while Iceland and Sweden do not state any expenditure under other cash benefits.

Services for the disabled

In all the Nordic countries services are provided to the disabled. Services are for instance care or help in institutions or sheltered housing, transport service schemes and technical aids. The total expenditure on services varies among the Nordic countries, measured in PPP per capita. The highest expenditure is found in Sweden, followed by Denmark, while expenditure is lowest in Finland and Iceland.

The service expenditure in the table below is broken down by institutions etc. help to carry out daily tasks, rehabilitation and other. Apart from levels varying between countries, there are also great differences in the distribution of services. This difference is partly due to difficulties in accounting procedures, but also to differences in priorities between countries.

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

Table 11.9 Expenditure on services to the disabled in PPP/capita 1998

	Denmark	Finland	Iceland	Norway	Sweden
Institutions, etc.	140 ¹⁾	21	59	12 ⁴⁾	98 ⁶⁾
Help to carry out daily tasks	49 ²⁾	31 ³⁾	4	41 ⁵⁾	82 ⁷⁾
Rehabilitation	29	52	87	102	16
Other	44	44	7	13	67
Total	262	148	157	168	263
As percentage of GDP	1.1	0.8	0.7	0.8	1.3

1 Aged under 67 years. Including housing for the elderly.

2 People under the age of 67.

3 Households.

4 Residents in an institution aged 0-66

5 People under the age of 67

6 November 1998 and only people permanently residing in an institution.

7 People residing in their own homes as at 1 November 1998 and receiving home help.

The Finnish institution expenditure only includes expenditure in connection with stays in institutions since service housing, etc., is included under other. As for the elderly, expenditure in connection with stays in institutions is difficult to compare.

A very uniform picture is seen, in per cent of the target group of how many people stay in institutions, while there are considerable differences in the number of recipients of home help.

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Table 11.10 People aged 0-64 years and disabled people either living in institutions/service housing or receiving home help, 1998

	Denmark	Finland	Iceland	Norway	Sweden
Aged 0-64 (1.000)	4,510	4,398	243	3,742	7,311
Aged 0-64 in institutions, total	16,130 ¹⁾	15,103	823	13,092 ³⁾	25,252 ⁴⁾
As percentage of target group	0.3	0.3	0.3	0.3	0.3
Aged 0-64 receiving home help	28,272 ¹⁾	41,606 ²⁾	3,631	25,010 ³⁾	14,697 ⁴⁾
As percentage of target group	0.6	1.0	1.5	0.7	0.2
Total number of recipients	44,402	56,709	4,454	38,102	39,949
As percentage of target group	0.9	1.3	1.8	1.0	0.5

1 People under the age of 67.

2 Households. Of the 41,606 6,292 were disabled.

3 People in institutions include residents in housing for nursing and care purposes and residents in institutions aged 0-66. Recipients of home help are people under the age of 67.

4 Residents in institutions are stated as at 1 November 1998 and only permanent residents. Home help includes residents in own homes who had been granted home help as at 1 November 1998.

The variation seen in the number of recipients of home help is allegedly caused by both Norway and Iceland including households/people who are not disabled, but are temporarily disabled because of illness and the like and therefore receive home help.

One explanation that may be given for the low net expenditure in Finland and Iceland is considerably higher user charges payable when staying in an institution than in the other countries. Another explanation might be marked differences in the need for care of residents in institutions in Finland, and wages in Finland and Iceland on one hand and the three other Nordic countries on the other. A third explanation might be significant differences in the service level including the number of staff.

All the countries have to a certain extent escort schemes for the disabled. Here Sweden differs markedly from the other countries with an expenditure of SEK 4.5 billion. for 7,670 people (SEK 586,701 per person). Sweden is far more generous than the other countries.

Social expenditure on survivors

The increasing participation of women in the labour market has significantly changed the economic situation of widows in the Nordic countries in recent decades. Furthermore, pensions to widows/widowers have fallen drastically, with the exception of Finland, among other things due to law reforms.

- In Denmark, pensions to widows and widowers have been abolished. Instead widows/widowers may receive ordinary anticipatory pension if they are entitled to it. Married pensioners receive a survivor's pension when a spouse dies. Expenditure on these are, however, not calculated separately but together with other expenditure on pensions.
- The special pension to widows and widowers was abolished as a basic pension in Iceland in 1996 and the expenditure will fall during the coming years as widows and widowers are becoming old-age pensioners. Widows and widowers may, however, receive a benefit for 6 months after the death of their spouse. Survivors who are breadwinners may be granted a benefit for 12 months, and this period may be extended to 48 months if a survivor provides for two or more children. After 18 months the benefit is means-tested.
- In Sweden, the pension to widows and widowers is also being phased out.

In all the Nordic countries children under 18 years receive children's pension if one or both parents have died. With the exception of Denmark the benefit may be extended to the age of 20 if a child is receiving education. In Norway, this only applies if both parents have died. In Denmark, a special child allowance is granted to orphans and to children who have lost one of their parents. The expenditure on this is calculated together with the other types of child allowance (cf. Chapter 4.).

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

Table 11.11 Expenditure on survivors. PPP/capita and as percentage of GDP 1998

	Denmark	Finland	Iceland	Norway	Sweden
<i>Cash benefits, total</i>	-	202	122	71	147
Of which:					
A. Pensions to survivors	-	196	120	71	147
Of which:					
- a. Basic pension/Guaranteed minimum pension	-	7	10	22	8
- b. Employment pension	-	180	110	17	129
- c. Supplementary pension	-	9	-	32	10
B. Death Grants	-	6	2	-	-
C. Other	-	-	-	-	-
<i>Services, total</i>	4	1	-	4	-
A. Funeral grants	4	1	-	4	-
B. Other	-	-	-	-	-
Total expenditure	4	203	122	75	147
As percentage of GDP	0.0	1.1	0.5	0.4	0.7

In all the Nordic countries, pensions to survivors make up a very small part of the total social expenditure, also when measured against the GDP. There are big differences between countries, however. In PPP per capita Finland spends the most, followed by Sweden and Iceland.

Like the other pensions, survivor's pension is made up of basic pension, employment pension and supplementary pension. The rules are the same as for old-age and disability/anticipatory pensioners which means that the basic pension for survivors depends on any other pension received.

Basic pension to survivors makes up a minor part of the total pension payments in all the countries. Employment pension, on the other hand, is the most important pension with the exception of Norway.

Special cash benefits to survivors in the case of death are given only in Finland.

The services provided to survivors are very modest.

The number of recipients varies between countries, there being most widows/widowers receiving pension in Finland and fewest in Sweden. The same applies to recipients of children's pension, of which there are the most in Finland. The level of benefit for surviving spouses is highest in Norway, while the highest children's pension is paid in Sweden.

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

Table 11.12 Number of survivors and average amount paid per survivor 1998

	Denmark	Finland	Iceland ¹⁾	Norway	Sweden
Survivors receiving survivors pension	-	247,005	7,800	29,288	440,000
Average monthly amount in PPP/Euro	.	326	296	426	331
Children receiving children's pension	17,664	28,879	1,300	13,594	30,118
Average monthly amount in PPP/Euro	79	224	130	117	226

1 Includes only employment pension. Number of recipients has been calculated.

Conclusion

Of important explanations to the differences in the social expenditure on the elderly, the following may be stressed:

- The fact that Denmark in total spends most on social cash benefits to the elderly is mainly caused by the special old-age pensions, as people, who in Denmark receive ordinary anticipatory pension, transition allowance or voluntary early retirement benefit, will typically be somewhere else in the social system in the other countries. In Finland, it will typically be unemployment pension, which is discussed in Chapter 5, and in Norway there is a large number of recipients of sickness benefit, which is discussed in Chapter 6.
- When viewing the burden of social cash benefits measured as a percentage of the GDP, the expenditure is highest in Sweden, while it is lowest in Iceland because of the late withdrawal from the labour market. The high expenditure in Sweden must be seen in connection with the employment pension system being fully developed.
- Compensation (pension payment) compared to previous income when working is highest in Sweden and Iceland and lowest in Denmark and Norway. However, it should be noticed that supplementary pensions, which are not included in the compensation calculations, play a considerable part for large groups of pension recipients in Denmark. Another important aspect is the tax burden which is lightest in Iceland and heaviest in Denmark.

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

The most important explanations of the differences in the expenditure on social services to the elderly are:

- Differences in the way expenditure on institutions and on nursing and care of the elderly is calculated.
- Differences in whether the elderly in institutions are paid their pension in full and subsequently pay for rent and various services themselves, or whether they are paid an allowance instead (Norway).
- Differences in user charges, which is larger in Finland than in the other countries
- Differences in the wage level and number of staff within the care sector, where both wages and number of staff may be significant.
- Differences in the service level i.e. differences in the number of elderly people living in an institution, etc., and the number of people receiving home help. It is also important to which extent the countries aim at nursing and caring for the elderly in their own homes or in institutions, etc.. The need for care of residents in institutions is also an important factor.

The most important differences in the cash benefits to the disabled are the following:

- Cash benefits to the disabled are highest in Norway where there is also a relatively high number of anticipatory pensioners. Furthermore Norway spends much on rehabilitation and grants special care allowances at a high level.
- The relative number of disability/anticipatory pensioners is highest in Finland, but Finland has only the second highest expenditure on disability/anticipatory pensioners among the Nordic countries. This is because the level of disability/anticipatory pension in Finland is average.
- Denmark has relatively the smallest number of anticipatory pensioners, which is because ordinary anticipatory pensions are counted as special old-age pensions, but the cash benefits to the disabled are at a Nordic level. This is because the level of the anticipatory pensions included is very high in Denmark compared to the other Nordic countries. Furthermore, large amounts are spent on rehabilitation in Denmark.

DIFFERENCES AND SIMILARITIES IN SOCIAL EXPENDITURE

- Sweden has a relatively high proportion of anticipatory pensioners, but benefits to anticipatory pensioners is at the same level as in Finland and Norway. In addition various kinds of allowances are granted to anticipatory pensioners and the disabled in Sweden.
- The only cash benefit to disability pensioners in Iceland is disability pension.

The most important explanations to differences in the expenditure on services to the disabled are the following:

- As for the elderly, there are differences in the institution expenditure, calculation of staff etc.
- The high priority given to rehabilitation by Norway, and
- The very high Swedish expenditure on escort schemes for the disabled.

The most important explanations of differences in expenditure on survivors pension are:

- that survivor's pension plays a various parts in the individual countries.
- to which extent the schemes are being phased out, such as is the case in Iceland and Sweden.

These are the most important explanations to the differences and similarities found in the expenditure on the elderly, the disabled and survivors. Part may be attributed to different priorities made over longer periods of time, such as for instance different extents of the supplementary and supplementary pension schemes. Differences in the economic trends among the countries which have caused differences in the priority given to the integration of the disabled, and for that matter the elderly as well, into the labour market. Differences in the composition of populations and finally differences in the organisation of policy, where benefits that in principle are almost equivalent, may be granted on the basis of for instance labour market laws, laws on sickness benefits or laws concerning other social benefits (social assistance).

Appendix 1

Calculation Basis for Income Distribution

The tables on income distribution on NOSOSCO's home page and the figures in Chapters 3, 4 and 7 are based on the following:

Calculations of Quartiles

The calculations were based on all households. The quartiles were calculated on the basis of the equivalent disposable income, i.e. the income was adjusted as to the number of people to subsist on it in the various families. The correction was made by dividing the household income by the number of family members.

In Figure 3.2, the first quartile is made up of the households earning the lowest incomes, whereas the households earning the highest incomes make up the fourth quartile.

In Figures 3.3 and 3.4, the average disposable income was calculated for single people and couples, respectively, broken down by quartiles converted into PPP-Euro. Moreover, the gross income was included and broken down in percentages by the factor income and the social services and benefits, and the tax in percentage of the gross income in 1997. Also here, the quartiles were fixed on the basis of the disposable income for all households.

Households

A household consists of individuals living together and sharing the household economy. The households were calculated on the basis of information from interviews (In Denmark registers). Adult children living together with their parents count as being members of their parents' households. This

CALCULATION BASIS FOR INCOME DISTRIBUTION

does not, however, apply to Iceland, where children over the age of 15 years are regarded as self-contained households.

Single people

One-person households consist, with the exception of Iceland, of one adult (over 17 years) and any children living at the same address, irrespective of their ages.

Cohabiting people

Cohabiting couples consist of 2 adults (over 17 years) and any children living at the same address, irrespective of their ages.

Children

Children are regarded as children until they reach the age of 17 years.

Households Broken Down by Age

In the tables and figures where households have been broken down by age, it is the age of the head of the family who counts. The head of the family is defined as the person earning the most.

Factor Income

The factor income consists of gainful employment, income from self-employment, and capital income. Employers contributions to social security schemes were not included in the wages.

Tax

Tax comprise income tax, property tax, and households' contributions to social security schemes.

Social Cash Benefits

Social cash benefits comprise both taxable and tax-exempt cash benefits. These may be income-substituting benefits such as daily cash benefits or pensions, and/or income-supplementing cash benefits such as housing benefits and child allowances.

Disposable Income

The disposable income is composed of factor income plus social cash benefits less tax.

Appendix 2

Description of Typical Cases

The calculations of typical cases (see NOSOSCO's home page: www.nom-nos.dk) forming the basis of tables and figures on compensation in the event of loss of income in this and the previous two publications have been revised considerably compared with the previous editions of *Social Security in the Nordic Countries*.

The calculation of disposable income thus includes both housing benefits and charges payable for day care of children. As the amount of both housing benefits and charges payable for day care depend on the income, they become significant in relation to compensation payable in connection with the social occurrences included in the calculations of the typical cases.

The average pay for an industrial worker (Average Production Worker – APW) is used. This wage average was calculated by the OECD and is used in most comparative studies.

The following family types and income levels have been used:

Single parent with one child: APW 50%, 75%, 100%, 125%, and 150%.
(I, II, III, IV, and V).

Single person with no children: APW 50%, 75%, 100%, 125%, and 150%.
(I, II, III, IV, and V).

Couple with two children: APW 75% and 50% - 100% and 75% -
125% and 100% - 150% and 125%. (I, II,
III, and IV).

Couple with no children: APW 75% and 50% - 100% and 75% -
125% and 100% - 150% and 125%. (I, II,
III, and IV).

The following applies to the individual typical cases:

Typical Case 0

Income and tax regarding typical cases for an APW, 1998

Employer's costs

In order better to be able to illustrate the overall taxation in the Nordic countries in terms of both income tax and social contributions, employer's costs, i.e. gross wages plus statutory social contributions, have been included. Consequently, two accounts of the net income (i.e. gross wages less income tax and social contributions payable by employees) in relation to "gross income" were prepared: net income in relation to the employer's costs and net income in relation to the gross wages. The employers' contributions for Norway correspond to that payable in Oslo.

In respect of Denmark, employers' statutory social contributions cannot be calculated. It is, however, estimated that for an employee with a salary corresponding to that of an APW, the contributions constitute about 1½ per cent of the salary. This estimate is only used in typical case 0 for single people earning a salary corresponding to that of an APW. In the calculation of the lowest APW values social assistance has not been included, even though people with such an income would be entitled to this.

Tax payment

Average national rates of taxation have been used, i.e. the average municipal rates of taxation including the average church tax percentages.

Children's ages and use of day care institutions

Child allowances and charges payable for day care institutions are calculated on the basis of the following family types:

- Single parent with an infant of 0 years, i.e. a new-born baby in typical case I.
- Single parent with a child of five, i.e. a pre-school child attending a day care institution.
- Couple with two children aged five and nine, i.e. a pre-school child attending a day care institution and a child attending school, still needing after-school care.

Payment for the day care institution is, where possible, calculated on the basis of average charges and national rules governing payment. For Nor-

DESCRIPTION OF TYPICAL CASES

way, the rates applying in Oslo have been used, and for Iceland the rates applying in Reykjavík have been used.

In all the typical cases, it is assumed that the children are attending day care institutions, with the exception of the infant in typical case I. It is also assumed that the children in typical cases II and III are in day care institutions.

As to child allowances, these include, in addition to the child allowances proper payable to single parents and couples with children, maintenance allowances to single parents with children, corresponding to the amount of the allowances payable in advance by the social security scheme, cf. Chapter 4.

Housing costs and housing benefits

It is assumed in all the cases that the families live in rented accommodation. The amount of the housing cost/rent depends on the family type, but is independent of the amount of the income. Housing costs include only the rent and no other costs such as heating, gas, or electricity. Therefore, calculations of heating supplements, for instance, to which pensioners in Denmark with low incomes are entitled, have not been included.

It has not been possible to determine the amount of the rent for the individual family types in a consistent way for all the countries. In some countries, the rent was determined on the basis of an estimate of the expenses for rented accommodation for the individual family types and calculations of the average rent per square meter at a national level, whereas it in other countries was based on rent surveys for various family types within certain municipal groups.

The rent for the individual family types is merely used to calculate the amount of any housing benefit, whereas the rent itself is not included in the calculation of the disposable income. As far as Iceland and Norway are concerned, calculations of housing benefits are not included. This is due partly to the housing benefit being of limited importance, and partly to it being fixed on the basis of an assessment of the individual families' need.

Gross income

The gross income is the income from work and excludes, for instance, child allowance and housing benefit.

Disposable income

The disposable income is calculated as gross income plus child allowance and housing benefit less income tax, social security contributions payable by employees, and charges payable for day care institutions. The social security contributions payable by employees include, in the case of Denmark, Finland, and Sweden, contributions to the voluntary unemployment insurance scheme in the shape of membership fees to the unemployment funds. Union contributions have, however, not been included in the calculations.

Disposable incomes are calculated on a yearly basis, both for employees in work and in connection with receipt of various social benefits. The calculations are based on the assumption that the people in question receive the social benefits throughout the year, even if this in some cases is not possible (e.g. maternity benefit). The listed incomes per month are the annual figures divided by 12.

The degrees of compensation in connection with social occurrences are calculated as the disposable income in connection with receipt of the social benefit in per cent of the disposable income from work.

Typical Case I

Level of compensation for typical cases in connection with childbirth, 1998

The following family types have been used:

- Single parent with a new-born baby receiving daily cash benefit, seen in relation to a single person with no children.
- Couple with two children (five and nine years old) in addition to the new-born, where the person earning the highest income receives daily cash benefit, seen in relation to a couple with two children (five and nine years old) where both adults work.
- Couple with a new-born baby where the person earning the highest income receives daily cash benefit, seen in relation to a couple with no children where both work.

DESCRIPTION OF TYPICAL CASES

Typical Case II

Level of compensation for insured people for typical cases in connection with unemployment, 1998

Calculations have been included for the level of compensation for all four family types: a single parent with one child receiving unemployment benefit; a single person with no children receiving unemployment benefit; a couple with two children where the person earning the highest income receives unemployment benefit; and a couple with no children where the person earning the highest income receives unemployment benefit. Additional social assistance has been included in the cases where the family in question is entitled to it.

Typical Case III

Level of compensation for non-insured people for typical cases in connection with unemployment, 1998

Calculations of levels of compensation have been included for a single parent with one child and for a single person with no children. In both cases, the adult is assumed to be at least 30 years of age.

Typical Case IV

Level of compensation for typical cases in connection with illness, 1998

Calculations have been included for levels of compensation for all four family types, cf. typical case II.

Typical Case V

Level of compensation for typical cases in connection with old-age pension, including supplementary pension at maximum qualifying period, 1998

Calculations have been included for the level of compensation for a single person with no children and a couple with no children, respectively, where both are old-age pensioners. The supplementary pension has been included with the maximum amount obtainable in 1998.

Typical Case VI

Level of compensation for typical cases in connection with anticipatory pension, including supplementary pension at maximum qualifying period, 1998

The calculation has been made for a single 50 year-old anticipatory pensioner with no children who was fully employed, until he was awarded anticipatory pension (i.e. maximum qualifying period for a 50 year-old). Moreover, it is assumed that the person in question has completely lost his working capacity.

FURTHER INFORMATION

Appendix 3

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

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

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

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

Directorate of
Unemployment Insurance
Finsensvej 78
DK-2000 Frederiksberg
Phone +45 38 10 60 11
Fax +45 31 19 38 90
Web: www.dfa.dk

Directorate General for Employ-
ment, Placement and Vocational
Training
Blegdamsvej 56
P.O. Box 2722
DK-2100 Copenhagen Ø
Phone +45 35 28 81 00
Fax +45 35 36 24 11
Web: www.ams.dk

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

FURTHER INFORMATION

National Board of Health
Amaliegade 13
P.O. Box 2020
DK-1012 Copenhagen K
Phone +45 33 91 16 01
Fax +45 33 93 16 36
Web: www.sst.dk

Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Phone +45 39 17 39 17
Fax +45 39 17 39 99
Web: www.dst.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

FINLAND

Central Pension Security Institute
Fin 00065 Central Pension Security Institute
FIN-00521 Helsinki
Phone +358 9 1511
Fax +358 9 1481 172
Web: www.etk.fi

Social Insurance Institution
P.O. Box 450
FIN-00101 Helsinki
Phone +358 9 43411
Fax +358 9 4341 530
Web: www.kela.fi

Ministry of Social Affairs
and Health
P.O. Box 33
FIN- 00023 Government
Phone +358 9 1601
Fax +358 9 160 3824
Web: www.vi.fi/stm/english/index.htm

STAKES
P.O. Box 220
FIN-00531 Helsinki
Tel +358 9 39671
Fax +358 9 3967 2324
Web: www.stakes.fi

Statistics Finland
FIN-00022 Statistikcentralen
Phone +358 9 17341
Fax +358 9 1734 3522
Web: www.stat.fi

ICELAND

National Association of
Pension Funds
Suðurlandsbraut 30
IS-108 Reykjavík
Phone +354 581 4977
Fax +354 581 4332
Web: www.ll.is

National Economic Institute
Kalkofsvegi 1
IS-150 Reykjavík
Phone +354 569 9500
Fax +354 562 6540
Web: www.ths.is

FURTHER INFORMATION

State Social Security Institute
Laugavegi 114
IS-150 Reykjavík
Phone +354 560 4400
Fax +354 562 4535
Web: www.tr.is

Directorate of Labor
Hafnarhúsinu Tryggvagötu
IS-150 Reykjavík
Phone +354 511 2500
Fax +354 511 2520
Web: www.vinnumalastofnun.is

National Wage Control
Committee
Borgartúni 22
IS-105 Reykjavík
Phone +354 562 1470
Fax +354 562 4570

Ministry of Health and Social Security
Laugavegi 116
IS-108 Reykjavík
Phone +354 560 9700
Fax +354 551 9165
Web: www.stjr.is/htr

Statistics Iceland
Skuggasundi 3
IS-150 Reykjavík
Phone +354 560 9800
Fax +354 562 8865
Web: www.statice.is

NORWAY

Directorate of Labour
C.J. Hambroes plass
P.O. Box 8127 Dep.
N-0032 Oslo
Phone +47 23 35 24 00
Fax +47 23 35 27 50
Web: www.aetat.no

Ministry of Social Affairs
and Health
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

National Insurance Administration
Drammensveien 60
N-0241 Oslo
Phone +47 22 92 70 00
Fax +47 22 92 73 00
Web: www.trygdeetaten.no

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

Statistics Norway
Kongens gate 6
P.O. Box 8131 Dep.
N-0033 Oslo
Phone +47 22 86 45 00
Fax +47 22 86 49 88
Web: www.ssb.no

FURTHER INFORMATION

SWEDEN

National Board of Occupational
Safety and Health
S-171 84 Solna
Phone +46 8 730 90 00
Fax +46 8 730 19 67
Web: www.arbisky.se

Swedish Immigration Board
P.O. Box 6113
S-600 06 Norrköping
Phone +46 11 15 60 00
Fax +46 11 10 81 55
Web: www.siv.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

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/info-rosenbad/departement/social.html

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 Social Insurance Board
S-103 51 Stockholm
Phone +46 8 786 90 00
Fax +46 8 786 95 80
Web: www.rfv.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

OTHER

EUROSTAT
Office for Official Publications
of the European Communities
L-2985 Luxembourg
Luxembourg
Web: Europa.eu.int/en/int/en/comm/eurostat

Nordic Medico-Statistical Com-
mittee (NOMESCO)
Sejrøgade 11
DK-2100 Copenhagen Ø
Denmark
Web: www.nom-nos.dk

OECD
Unité des Services à la Clientèle
Service des Publications
2, rue André-Pascal
F-75775 Paris Cedex 16
France
Web: www.oecd.org

FURTHER INFORMATION

World Health Organization
Regional Office for Europe
Scherfigsvej 8
DK-2100 Copenhagen Ø
Denmark
Web: www.who.dk

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