## **Contents**

Li.	st of figures	vi
Li.	st of tables	X
Li.	st of contributors	xii
	knowledgements	xvi
1	Introduction: the Nordic welfare states in the 1990s	1
	MIKKO KAUTTO, MATTI HEIKKILÄ, BJØRN HVINDEN,	
	STAFFAN MARKLUND AND NIELS PLOUG	
2	Economic problems, welfare convergence and	
	political instability	19
	STAFFAN MARKLUND AND ANDERS NORDLUND	
3	Changes in age structure, family stability and dependency	54
	MIKKO KAUTTO	
4	Cuts in and reform of the Nordic cash benefit systems NIELS PLOUG	79
5	Universal public social care and health services?	104
	JUHANI LEHTO, NINA MOSS AND TINE ROSTGAARD	
6	Activation policies in the Nordic countries	133
	JON ANDERS DRØPPING, BJØRN HVINDEN AND	
	KIRSTEN VIK	

vii

### vi Contents

7	Changes in the social patterning of living conditions  JOHAN FRITZELL	159
8	Poverty and social exclusion in the Nordic countries	185
	BJÖRN HALLERÖD AND MATTI HEIKKILÄ	
9	The distribution of income in the Nordic countries:	
	changes and causes	215
	BJÖRN GUSTAFSSON, ROLF AABERGE, ÅDNE CAPPELEN,	
	PEDER J. PEDERSEN, NINA SMITH AND HANNU UUSITALO	
10	The legitimacy of the Nordic welfare states: trends,	
	variations and cleavages	235
	JØRGEN GOUL ANDERSEN, PER ARNT PETTERSEN,	
	STEFAN SVALLFORS AND HANNU UUSITALO	
11	Conclusion: The Nordic model stands stable but on	
	shaky ground	262
	MATTI HEIKKILÄ, BJØRN HVINDEN, MIKKO KAUTTO,	
	STAFFAN MARKLUND AND NIELS PLOUG	
	References	275
	Index	297
	=*************************************	

# **Figures**

1.1	Conceptual model for the book's approach	15
2.1	Annual percentage change in real GDP per capita	
	in the Nordic countries and OECD average	21
2.2	Trade balances, averages for five-year periods in the	
	Nordic countries (US\$ billion)	23
2.3	Government final consumption per capita in the	
	Nordic countries, indices PPP OECD 100, 1980-95	24
2.4	General government financial balances in the Nordic	
	countries and OECD average, 1980-95	26
2.5	Income transfers in the Nordic countries and OECD	
	average, 1985–94	29
2.6	Labour market participation rates in the Nordic	
	countries and OECD average, 1984-95	34
2.7	Female labour market participation in the Nordic	
	countries and OECD average, 1984-94	35
2.8	Government employment as share of total employment	
	in the Nordic countries and OECD average, 1984-94	36
2.9	Unemployment rate in the Nordic countries 1980-95	
	and OECD average 1984-95	37
2.10	Youth unemployment rate in the Nordic countries,	
	1980–95	37
4.1	Expenditure on and recipients of unemployment	
	benefits in Denmark, Finland, Norway and Sweden	
	from 1982 to 1993; fixed prices, 1990 = 100	83
4.2	Expenditure on and recipients of sickness benefits in	
	Denmark, Finland, Norway and Sweden from 1982	
	to 1993; fixed prices, 1990 = 100	85
4.3	Expenditure on and recipients of maternity benefits	
	in Denmark, Finland, Norway and Sweden from	
	1982 to 1993; fixed prices, 1990 = 100	87

### viii Figures

4.4	Expenditure on and recipients of disability pension in Denmark, Finland, Norway and Sweden from 1982 to 1993; fixed prices, 1990 = 100	89
4.5	Expenditure on and recipients of old-age pensions in Denmark, Finland, Norway and Sweden from 1982	09
	to 1993; fixed prices, 1990 = 100	92
4.6	Expenditure on and recipients of family benefits in Denmark, Finland, Norway and Sweden from 1982 to 1993; fixed prices, 1990 = 100	94
4.7	Expenditure on and recipients of social assistance in Denmark, Finland, Norway and Sweden from 1982 to 1993; fixed prices, 1990 = 100	95
6.1	Active labour measures as percentage of GDP in the Nordic countries, 1980–95	143
6.2	Activism rate 1, Nordic countries, 1980–95	144
6.3	Activism rate 2, Nordic countries, 1980–95	145
6.4	Labour market measures for youth as percentage of GDP in the Nordic countries, 1990–5	149
6.5	Labour market measures for people with disabilities as percentage of GDP in the Nordic countries,	
	1990–5	153
7.1	Changes in relative equivalent income by age groups (those aged 61–75 = 0) in Finland, Norway	
	and Sweden	171
8.1	Economic poverty (< 50 per cent of mean income)	
	ratio $(1980 = 0)$ in the Nordic countries	187
8.2	Analytical model	199
8.3	The probability of being socially excluded for different sections of the population in Finland,	
	Norway and Sweden in the mid-1980s and mid-1990s	208
9.1	Gini-coefficient for disposable equivalent income in Finland 1966–95 and in Sweden 1967–95	219
9.2	Inequality in distributions of disposable income for single employees and couples with one and two	
	employees in Norway. Gini-coefficients, 1973-94	220
9.3	Inequality in distributions of gross and disposable equivalent income in Norway, 1985–94	221
9.4a	Trends in earnings dispersion in Denmark, Finland,	1
	UK and Norway, 1980-95	227
9.4b	Trends in earnings dispersion in Sweden, US and UK, 1980-95	228

F7.	•
Figures	1X
1 izuies	11
U	

9.4c Trends in earnings dispersion in Denmark, Finland,	
UK and Norway, 1980-95	228
9.4d Trends in earnings dispersion in Sweden, US and	
UK, 1980–95	229
9.5 Gini-coefficient for equivalent factor income in	
Finland 1966-94 and in Sweden 1967-91	230
9.6 Redistributive effect of transfers in Finland	
1966-94 and in Sweden 1967-91	231
9.7 Redistributive effect of income taxes in Finland	
1966-94 and in Sweden 1967-91	232
10.1a Support for the welfare state in Denmark, 1969–94	241
10.1b Support for the welfare state in Finland, 1975–96	243
10.1c Support for the welfare state in Norway, 1965–94	244
10.1d Support for the welfare state in Sweden, 1960–95	245

## **Tables**

2.1	Social spending, taxes and financial shares in	
	ca. 1980 and ca. 1995 in the Nordic countries and	
	OECD average	27
2.2	Transfers and services in Denmark, Finland,	
	Norway and Sweden in 1994 as percentage of total	
	social spending (and change from 1984)	30
2.3	Income replacement ratios in unemployment and	
	social assistance in three Nordic countries and	
	average for four other countries in 1994	31
2.4	Breakdown of social spending as percentage of	
	total social spending on major areas in 1995 (and	
	change since 1984)	31
2.5	Institutional profile of social services in the Nordic	
	countries in 1995	33
2.6	Election results in Denmark, 1981-94	39
2.7	Government composition in Denmark	40
2.8	Election results in Finland, 1983-95	42
2.9	Government composition in Finland	43
2.10	Election results in Norway, 1981–97	44
2.11	Government composition in Norway	45
2.12	Election results in Sweden, 1982-94	48
2.13	Government composition in Sweden	48
3.1	Main population growth indicators in Denmark,	
	Finland, Norway and Sweden, 1980-95	57
3.2	Age group shares, age dependency ratios and	
	economic dependency ratios in Denmark, Finland,	
	Norway and Sweden, 1980-95	61
3.3	Marriages, divorces and mean childbearing age	
	in the Nordic countries, 1980–95	66

3.4	Family units by living arrangements and number of	
	children under 18 years of age in Denmark, Finland,	
	Norway and Sweden, 1994	69
3.5	Dwelling households by number of members in	
	Denmark, Finland, Norway and Sweden, 1980-95	71
5.1	Trends in the expenditure on health services and	
	social care for the elderly and handicapped in the	
	Nordic countries, 1980–94	106
5.2	Number of hospital beds and number of health	
	professionals per 1,000 population in the Nordic	
	countries, 1980–94	108
5.3	Proportion of population admitted to hospital	
	treatment and number of outpatient visits to	
	physicians in the Nordic countries, 1980-94	109
5.4	Proportions of the elderly living in institutions and	
	service housing and recipients of home help in the	
	Nordic countries, 1984–94	110
5.5	The role of the private sector in the supply of health	
	care and social care for the elderly in the Nordic	
	countries in 1994	111
5.6	Number of children 0-10 years of age enrolled in	
	institutional day care and family day care in the	
	Nordic countries, 1981–95	117
5.7	Social expenditure for maternity and parental leave	
	cash benefits and formal day care as percentage of	
	GDP in the Nordic countries, 1980–93	118
5.8	Percentage of children enrolled in day care	
	institutions and family day care by age group in the	
	Nordic countries, 1981–93	120
7.1	Changes in the levels of living conditions that	
	occurred between survey years in Finland (1986-94),	
	Norway (1987-95) and Sweden (1986/87-94/95)	166
7.2	Age differences in the living conditions and changes	
	thereof in Finland, Norway and Sweden	170
7.3	Differences in living conditions between men and	
	women and changes thereof in Finland, Norway	
	and Sweden	174
7.4	Social class differences in living conditions and	
	changes thereof in Finland, Norway and Sweden	176

#### xii Tables

7.5	Relative differences (odds) in living conditions and changes thereof between unskilled blue-collar workers (reference category = 1,0), the upper	
	white-collar class, and 'others' (not working), below	
	66 years of age	179
8.1	Information about Nordic level of living surveys	192
8.2	The incidence of economic poverty and welfare	
	problems in Norway, Finland and Sweden,	
	mid-1980s and mid-1990s	193
8.3	The risk of having at least one additional welfare	
	problem among people with a welfare problem	195
8.4	Correlation (Kendall's Tau_b) between different	
	welfare problems in Norway, Finland and Sweden	196
8.5	Summary of changes over time in Finland	201
8.6	Summary of changes over time in Norway	204
8.7	Summary of changes over time in Sweden	205
8.8	Input values for probabilities calculations	207
9.1	Gini-coefficients for the distribution of disposable	
	income in Denmark, 1981–94	218
9.2	Income component contributions to the	
	Gini-coefficient of disposable income for years of	
	'low' and 'high' unemployment	224
10.1	Support for various welfare state programmes	
	in Denmark, Finland, Norway and Sweden.	
	Percentages supporting more, or less, government	
	money spending on programmes	248
10.2	Support for various non-welfare state sectors in	
	Denmark, Finland, Norway and Sweden.	
	Percentages supporting more, or less, government	
	money spending on sectors	250
10.A1	Structural cleavages and attitudes towards welfare	
	policies in Denmark (1994). Multiple classification	
	analysis	258
10.A2	Structural cleavages and attitudes towards welfare	
	policies in Finland (1996). Multiple classification	
	analysis	259
10.A3	Structural cleavages and attitudes towards welfare	
	policies in Norway (1996). Multiple classification	
	analysis	260
10.A4	Structural cleavages and attitudes towards welfare	
	policies in Sweden (1992/1996). Multiple	
	classification analysis	261