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Social Models: A Nordic Perspective

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Achievements of the North

- Low life-cycle poverty
- Reduced inequalities
- High employment
- High female participation
- Strong support for social security
- Incentives and cost control



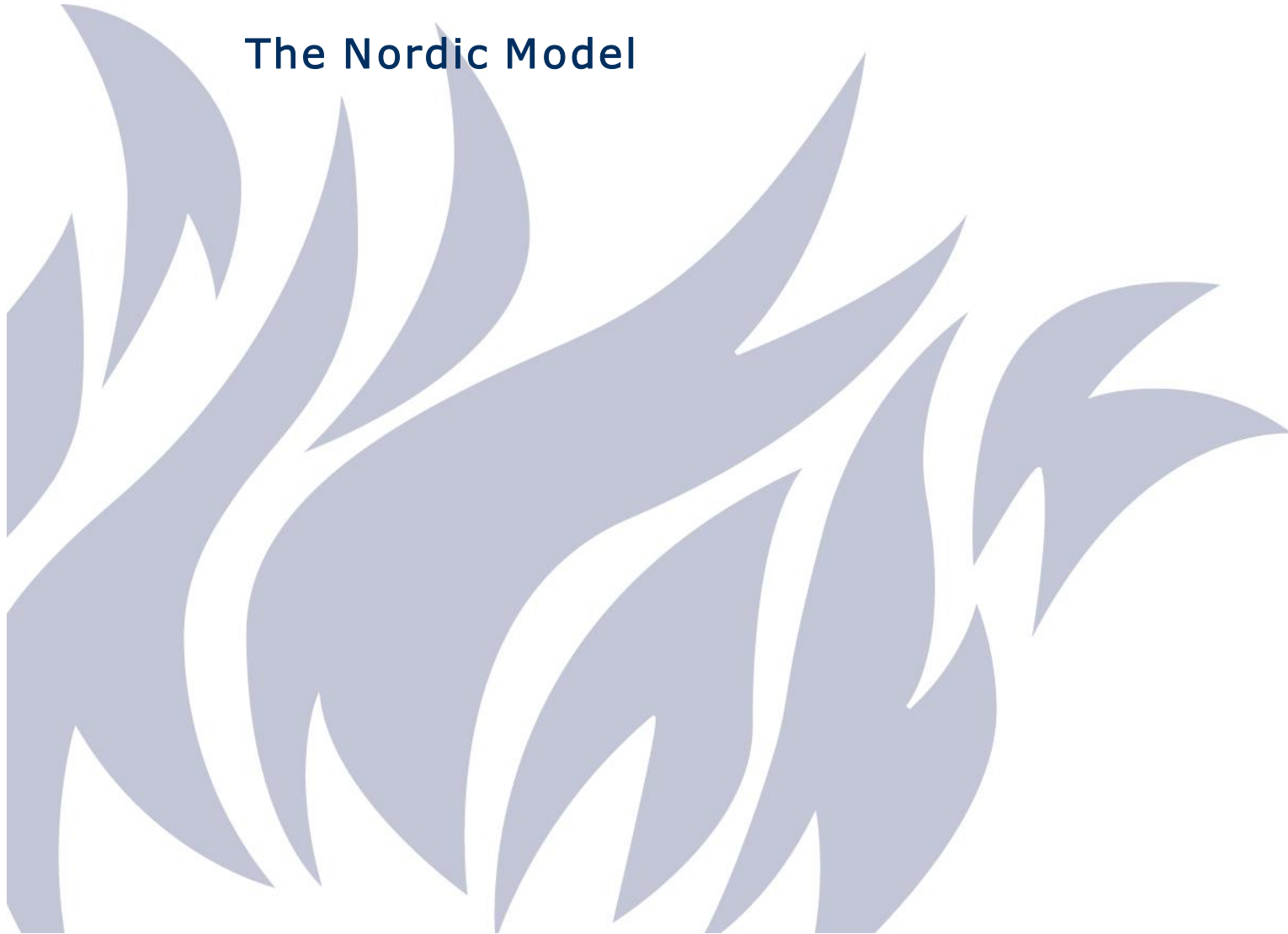
Three Pillars of the Welfare State

- Labour Market
- Education
- Social Protection



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The Nordic Model





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The Nordic Model

Labour Market: Tradition of full employment policy
Active labour market policy



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Education: From child-care to life-long education
Universal access and free of charge



The Nordic Model

Labour Market: Tradition of full employment policy
Active labour market policy

Education: From child-care to life-long education
Universal access and free of charge

Social Policy: Emphasis on full coverage and generosity
Dual earner family policy



Social Policy and Redistribution

Two issues often at stake:

- Universalism versus selectivity
- Earnings-related benefits versus minimum income standards

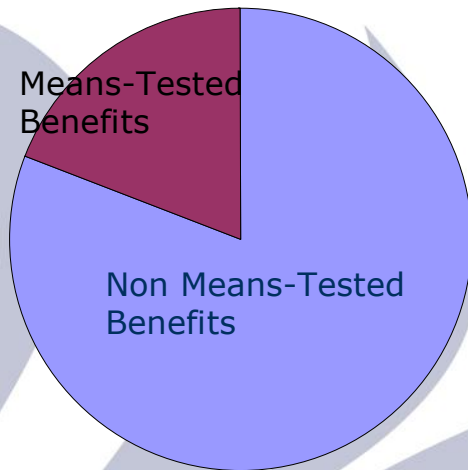
Relative Poverty Rates Before and After Social Transfers and Proportional Reductions in Five Countries (Head-Count Measure), around 2005.

Country	Pre-Transfer Poverty	Post-Transfer Poverty	Relative Poverty Reduction
Canada	26.3	13	50.6
Germany	31.2	8.4	73.1
Sweden	29.7	5.6	81.1
United Kingdom	31.4	11.6	63.1
United States	27.1	17.3	36.2

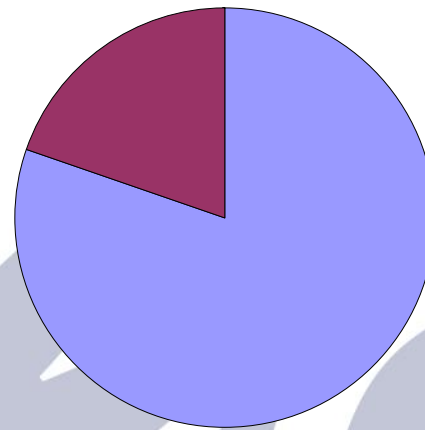
Source: LIS.

Anti-Poverty Effects of Universal and Selective Benefits

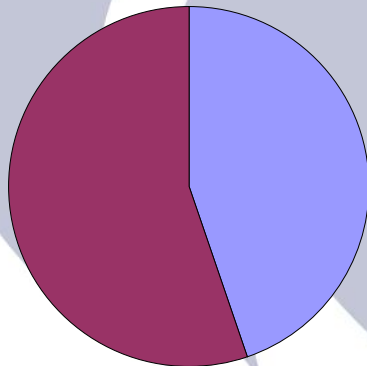
Sweden 81%



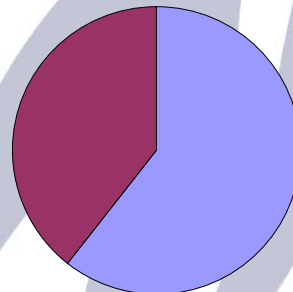
Germany 73%



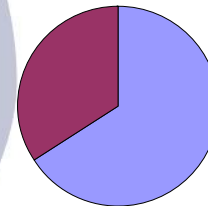
UK 63%



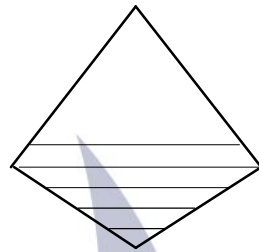
Canada 51%



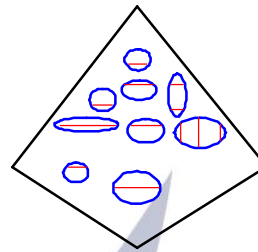
USA 36%



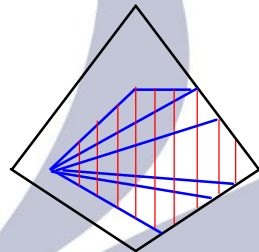
Ideal-Typical Models of Social protection Svstems.



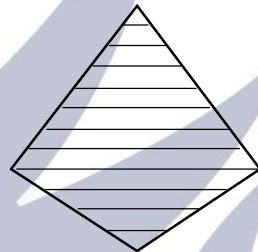
a) Targeted



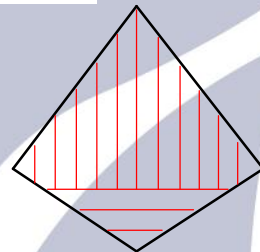
b) Voluntary State
Subsidized



c) State Corporatist



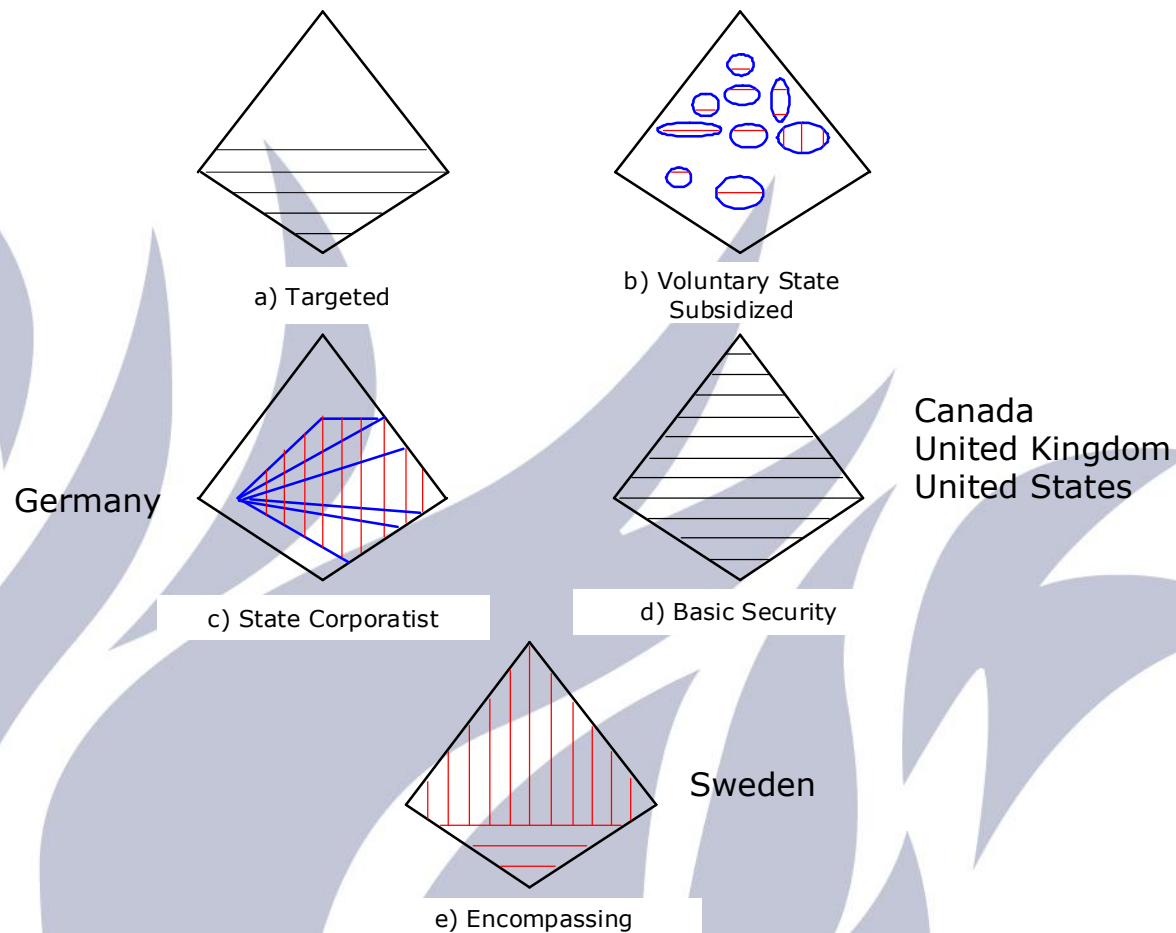
d) Basic Security



e) Encompassing

Source: Korpi and Palme 1998.

Ideal-Typical Models of Social protection Svstems.

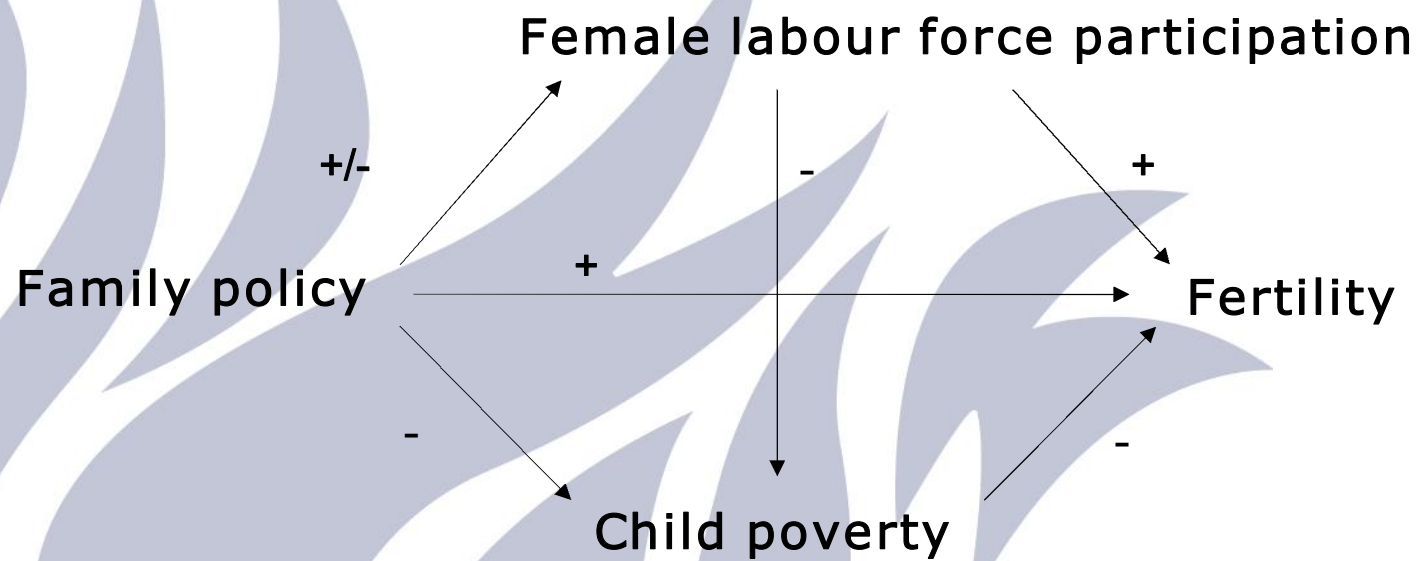


Source: Korpi and Palme 1998.



Nordic Family Policy

- Individual taxation
- Universal childcare
- Elaborate income protection for both Mothers and Fathers





What's for the Future of the Nordic Model: Challenges

Labour Market: Moved from full employment policy towards low inflation policy
Creating jobs in a globalized market

Education: Life Long Learning is partly eroded
Inequality in educational levels still exist

Social Policy: Financial sustainability?
Middle-class inclusion is reduced



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Thanks for listening

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