The European Union and the Nordic models of welfare – path dependency or policy harmonisation? ¹

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Introduction

The interplay between the European Union (EU) and Nordic welfare states has received an increasing attention within welfare state scholarship in general and especially so in the debates on the Europeanisation of social protection (van Vliet 2011). In earlier waves of this literature it has been suggested that processes of so-called negative integration (Scharpf 1996) have led to some adjustments of member states’ social protection schemes in accordance to market requirements, but not a convergence towards a one-size-fits-all EU and so, for instance, the dissolution of the distinctiveness of the Nordic welfare models is not a real threat (Leibfried and Pierson 2000, Streeck 1995, Majone 1993, Kautto et al. 2001, Kautto 2001). More recently, however, some have suggested that there are also some signs of positive integration channelled through ‘soft governance’ mechanisms such as the Open Method of Coordination (OMC) procedure (van Vliet 2010, Kvist and Saari 2007, Kvist et al.

2012) and the social investment paradigm articulated in, for instance, the Lisbon Strategy of the EU (Jenson 2010, Morel et al. 2012b).

In this chapter we discuss the interplay between the EU and the Nordic welfare states with regard to social policy in a general sense. Most notably, we are interested in the influence that the European Union and the European Social Model (ESM) has had on the welfare systems in Denmark, Finland, Norway and Sweden over the last decade or so. Even though some aspects of social policy coordination were visible already in the Treaty of Rome, it was only in the late 1990s, and especially after the Amsterdam Treaty of 1999, that social policies started became a central part of the emerging social dimension of the EU (van Vliet 2011). Yet the approach has still been to let member states retain most of their national sovereignty with regard to social policy. In some areas, though, such as health care, pension or anti-exclusion policies, the EU has nurtured an ambition to achieve higher convergence among member states, most notably through soft-law governance (Saari and Kvist 2007). This makes it interesting to ask in what ways the Nordic countries, both the Nordic EU member states as well as the non-members, have been affected by such attempts of policy harmonisation and what their responses have been.

Based on the discussion below, we argue that talking about the Nordic model is partly an exaggeration based on an ideal typical social democratic model á la Esping-Andersen (1990) and that the Nordic region has always been more diverse in social policy terms (Kettunen 2010). Furthermore, this has possibly been amplified due to the varied approach of the Nordics towards the EU. So, instead of the Nordic model, we argue that we should talk about Nordic models.
Secondly, we argue that European integration has not in any way eroded the social policy regimes in the Nordic countries, although some small steps towards policy harmonisation have, indeed, been taken, especially when it comes to applying shared ideas and policy recommendations in the labour market and family policy. Hence, the relationship between the EU and the Nordic models of welfare can be seen to be ambiguous rather than based on a one-way causal relationship or transparent dialogue.

The chapter is divided into two main sections. The first consists of a discussion on the main characteristics of Nordic welfare states in order to set the parameters for the discussion on changes and challenges to the Nordic model under Europeanisation. Indeed, we argue that there is no single Nordic model and, as such, we should instead be talking about Nordic models of welfare. Secondly, we discuss the Nordic policy developments that emanate from a dual set of reform pressures from the EU from the mid-1990s onwards. The first concerns the indirect reform pressures that are associated with the negative logic of integration, pressures to convergence, tax competition etc. The second are direct, be it possibly more positive, pressures for welfare reform that coalesce around the European Social Model (ESM), especially as the Lisbon Strategy has made the ESM again more a priority to the Union.

The Nordic Models of Welfare

The Nordic approach to welfare has often, notably also among observers outside Scandinavia, been regarded as some kind of an ideal model for how the state, markets and society are combined into a political-institutional configuration with a capacity to
simultaneously produce both economic efficiency and high levels of equality (Einhorn and Logue 2003). However, these observations have not always been about sheer admiration or perplexity about how come the ‘bumblebee’ is capable of flying; some commentators have also taken a critical stance as to the central role that the state plays in the social welfare of its citizens (Rothstein 1998).

Regime theories of welfare states, the most well-known of these being Esping-Andersen’s (Esping-Andersen 1990) seminal contribution, gave birth to a set of ideal-typical models, also the Nordic ideal-typical welfare state, and a set of differences – both in terms of values and norms, and welfare outcomes – that sets the ideal-typical models apart from other welfare states (for a useful discussion on competing typologies of welfare states, see Arts and Gelissen (2002)). In order to evaluate the degree to which the models have remained distinctive, we need to both pay attention to those crucial differences and to think about what unites the clusters. In other words, the intellectual challenge in examining an ideal-typical Nordic model is that it, in the end, is a generalised version of some of the, arguably very important, aspects of social policy that are shared between the Nordic countries. So, while they could be treated as four or five independent cases, they also are closely interrelated (Christiansen and Âmark 2006, p. 336). As such, it might be more appropriate to talk about Nordic models rather than the Nordic Model (Kosonen 1998, Kuisma 2007). There never was one Nordic policy model (Mjøset 1992) – it is an outcome of post-hoc reasoning and observations of similarities between both the principles and values of welfare and welfare outcomes in the Nordic countries – rather the Nordicity of these models is what we are looking at here; hence we talk about the Nordic models of welfare.
Despite the rather strong and stable image of the ideal-typical Nordic model, it is not always clear which countries are included under the heading ‘Nordic’. At times, the term seems to apply only to the Scandinavian countries. Indeed, in Esping-Andersen’s (1990) famous typology, the social democratic world of welfare included the three Scandinavian countries (Denmark, Norway and Sweden), Austria, Belgium and the Netherlands. Finland was classified in the conservative cluster of welfare states. Finland caught up on its Nordic neighbours in terms of welfare developments only in the 1970s (Kettunen 2001), or 1980s – if talking on social policy terms only (Anttonen and Sipilä 2000). Finland is now often included and Iceland, perhaps the most understudied of the Nordic cases, is altogether ignored in most such categorisations.

What, then, are the common characteristics between the Nordic models of welfare? In the literature, these have been chiselled down to a few central common characteristics (Kangas and Palme 2005, Kautto 2001, Nygård 2013). First, these countries rely quite heavily on the public sector for the provision of social welfare, which has led to high levels of social expenditures and relatively high levels of taxation. Secondly, they are dependent on high levels of employment and active labour market policies. Third, they all have an extensive coverage of social rights, with a mixture of income-related, universal and needs-tested social transfers, as well as a universal provision of public welfare service provision. This has not only facilitated female emancipation and a dual-earner model, but it has also led to a relatively high level of equality and low poverty rates in international comparison. Fourth, institutionally speaking, the Nordic models can be said to constitute rather centralised, but deeply corporatist configurations that rest upon a foundation of political consensus, wage coordination
and a widespread legitimacy among the public. Fifth, in an economic sense, the models have relied on highly export-oriented, rather flexible, and competitive industries where human capital formation through public education and investments in research and innovation have played a central part (Kangas and Palme 2005, Kautto 2001, Nygård 2013). While talking about one Nordic model of welfare might be flawed, we could still claim, following Mjøset (1992), that even if it the Nordic model actually never existed, Nordic models could have a future – but in that future an important role will be played by the developments at the EU level.

**The European Union as a social policy actor**

As much as the Nordic model has been used as a reference point in literature, it has also been seen discussed in terms of the challenges it faces. Because of the central role of universal services and the comprehensiveness of welfare provision, these challenges have been considered to be more profound to the Nordic countries than for other welfare states. The 1970s was a period of low productivity growth in the Nordic region and especially Denmark suffered from what could certainly be called a welfare state crisis (Ryner 2007). Some have even argued that the oil crisis and its consequences in 1973 ended the heyday of the welfare state (Anttonen and Sipilä 2012, p. 26). The debate about the crisis of the Nordic model intensified during the 1990s, largely due to the severe economic recession after the end of the Cold War (see for example Pontusson 1992, Jenson and Mahon 1993, Rothstein 1993, Andersen 1997, Huber and Stephens 1998, Stephens 1996). The 1990s was, of course, also a time characterised by an increasingly strong discourse on and around globalisation and it was during the 1990s that Sweden and Finland followed Denmark into the
European Union, as the deepening and widening of European integration was beginning to gather pace.

The impact that the EU has had on the Nordic models of welfare is not an entirely straightforward question to answer, since some have argued that some of the changes that have taken place in these countries since the 1990s have been related more to the process of increased globalisation rather than the role of the EU social agenda (for a discussion see van Kersbergen 2000, p. 20). Indeed, some have argued that it is not the processes of globalisation but the increasing dominance of discourses and ideas linked to neoliberalism expressed in phenomena such as Third Way social democracy that have had a serious impact (for instance Ryner 2002). As such, globalisation is potentially having an impact, not as a process, but tendency that also has counter-tendencies (Hay and Marsh 2000, p. 6). Yet it seems plausible that both of these could have played a role and in an interconnected way. Namely, the EU has had an impact on these countries, not only because it has started to play an enhanced role as a social policy actor, but also since many of the policy agendas developed since the mid-1990s have been essentially about common strategies in adapting to an increasingly globalised world.

If we look closer at the relationship between the EU and the Nordic welfare models, and start by identifying central policies within the EU that may have functioned as drivers of social policy reforms in these countries, we can use the distinction made by Saari and Kvist (2007, pp. 1-4) as a starting point. The authors identify four central developments within the EU that, so they argue, have fuelled the process of a Europeanisation of social protection. These include: a) new policy processes and
themes within the EU social dimension, b) an increased application of internal market rules to the area of social protection, c) the EMU, and d) the EU enlargement process.

The first development has brought along an emphasis of social policy as a production factor and has put goals of employment promotion, social inclusion as well as poverty reduction on the EU agenda through the Treaties of Amsterdam and the Lisbon Strategy. The second development has made principles of gender equality, anti-discrimination objectives and the coordination of migrant workers’ social rights on the agenda, notably for the European Court of Justice. Moreover, internal market and competition law has been gradually endorsed within member states social protection schemes and practices. The third development, the role of the EMU as well as the Stability and growth Pact, has introduced stricter budgetary discipline, a ban against deficit funding of welfare states, and has introduced the concept of ‘structural reforms’ as a way of achieving higher labour market flexibility and economic efficiency. Finally, the EU enlargement process has brought with it an emphasis of mainstreaming social protection standards within the Union. This has meant an overall discussion of minimum social rights and has brought with it directives for bringing welfare state ‘latecomers’, such as Southern-European and Eastern-European countries, closer to the social provision levels of the Northern and Continental countries. One good example here is the much debated Commission directive of maternity leave from 2010 (Lane et al. 2011).

**The EU and Nordic models of welfare**
What impact have these kinds of policy developments within the European Union had on the Nordic models of welfare? One way in which we can assess these impacts is through making a distinction between impacts arising from common social policy objectives manifested through the ESM and those emanating from EU-driven strategies aiming at cushioning the effects economic globalisation, social transformation and growing financial instability (Ferrera 2005, Guillén and Palier 2004).

The first type of impact is related to the ambition of the EU and the European Council to bring forth social policies as a production factor enhancing economic growth and social inclusion across EU member states (Ferrera 2005). Although the idea of ‘productive social policy’ was inherent already in some earlier treaties such as the Amsterdam treaty in 1997, it was not until the Lisbon process and the Social policy agenda 2000-2005 that these objective started to play a visible role for the EU ‘social dimension’ (European Commission 2000). In this agenda, investments in human capital as well as more enabling and preventive social protections systems capable of facilitating social inclusion – notably for countries with the lowest social welfare provision levels – were seen as important for the social cohesion and economic prosperity.

As an example, the Barcelona summit in 2002 accentuated the need to expand childcare provision within EU countries as a means to increase parental employment, but also as a means of preventing child poverty and enhancing social exclusion (cf. Plantenga et al. 2008). Consequently, there have been investments in childcare and family policies that have been legitimised as investments in gender equality,
employment promotion or investments in children’s human capital and life-long opportunities (Meagher and Szebehely 2012). Although the childcare up-take rate is very different between Norway, Sweden and Denmark on the one hand and Finland on the other (see table 1), and investments in childcare and family leaves have been framed very differently (Hiilamo and Kangas 2009), it is plausible that the EU social investment creed has played an important role for framing such policy changes (Morel et al. 2012b).

To some extent the accentuation on childcare and early education can also be seen as evidence of a shift toward a child-oriented investment strategy (cf. (Esping-Andersen 2002), something that is also often referred to as the social investment paradigm (Morel et al. 2012a). According to this strategy, investments in children are not only efficient since they prevent social problems that otherwise might occur, but also since they generate human capital among children – a commodity widely cherished in the Europe 2020 strategy aiming for a smarter and competitive knowledge society (Morel et al. 2012a).

Other examples of impacts of the EU is the EU Council directives on equal treatment (2000/43/EC) and discrimination (2000/78/EC), that required member states to update their legislation by 2006 at the latest (Sargeant 2008). As an example, while Finland revised its legislation on anti-discrimination already in 2004, this happened only four years later in Sweden. In both cases though, the parliamentary proceedings relating to these legislative amendments suggest a quite clear causality between EU directives
and national legislation (Nygård and Snellman 2014, forthcoming). Another example of the impact that EU directives can have on Nordic welfare states is the adoption of common practices and rules when it comes to creating competition within the production and public goods and services (European Council 2004/17/EG; European Council 2004/18/EG). The adoption of these directives has had an immense impact on the creation of internal markets and public-private-partnerships within the social and health care sectors in most Nordic countries, though more so in Sweden and Denmark than Finland and Norway (cf. Meagher and Szebehely 2012).

More recent examples of this kind of impact relates to gender equality goals and the aim to increase fathers’ uptake of parental leave. The gender equality dimension refers to a balanced use of parental leave between spouses after childbirth. Although the Nordic countries, especially Denmark and Sweden are known for high take-up rates of parental leave compared to other European countries, some policy changes such as the recent extension of paternity leave in Finland suggest that an extension of the gender equality dimension is still relevant in Nordic welfare states. Alongside national factors that explain these recent investments in gender equality vis-à-vis parental leave, the EU directive on parental leave from 2010 (Directive 2010/18/EU) may also have played a role here. The directive, which gave each working parent the right to at least four months leave after the birth or adoption of a child, can be seen as an instrument for promoting gender equality, since it includes a conditional month that cannot be transferred to the other parent and that will be lost if not taken. This is intended to give fathers a stronger incentive for taking parental leave.
But the ambition to increase employment levels and boost growth within the EU area is also likely to have had an impact on labour markets and pension policies. These impacts are likely to have been reinforced by the financial crisis insofar as it has brought with it a wave of activating labour market policies, investments in work-family reconciliation measures as well as measures for making unemployment benefit schemes more reciprocal. According to a report published by the European Trade Union Institute (Clauwaert and Schömann 2012), there is a general trend towards wider changes in European labour market relations and legislation that threaten to deteriorate workers’ rights and work conditions. According to the report, this trend is also valid for the Nordic countries, except perhaps for Norway.

When it comes to pension policy, this area has been brought to the fore as a consequence of rapidly ageing populations (Kautto and Kvist 2002, pp. 192-3). As a part of the EU employment agenda, but also as a part of the overall accentuation of active ageing within EU member states (Walker 2002), many European states, and especially the Nordic countries, have pursued pension reforms that seek to raise the average pension age and enforce the financial sustainability of mandatory pension schemes. In 2005 Finland conducted a major reform, and in 2017 another overhaul of the Finnish pension system is announced as a way of addressing the long-term sustainability of public and private pension schemes (Natali and Stamati 2013).

The second type of impact is more indirect in nature and has more to do with common policy reactions and the different mechanisms of EU decision-making. Not only have most EU member states faced similar challenges in terms of economic and social transformation, such as sluggish growth, increasing financial instability, greater
diversity in household structures and ageing populations; they have also used policy instruments that are both coordinated through mechanisms such as the OMC procedure and influenced by similar dominant ideas, discourses and policy recommendations on why, and how, such challenges should be handled (Mehta 2010, Hay and Rosamond 2002).

One visible impact of such ambitions is an overall pattern of stricter budgetary discipline and an adherence to public cost containment, which has its origins in the Maastricht Treaty as well as the Stability and Growth Pact. For the Nordic countries this has meant a closer scrutiny of public welfare expenditures, as these expenditures constitute the bulk of the overall public spending. For some countries, notably Iceland during the heyday of financial crisis and Finland since 2010, the financial crisis and its sibling, the Euro-crisis, have indeed aggravated the situation, and made pension reforms even more warranted. Currently, also Finland is undergoing a major structural reform process that has its roots in the reform creed institutionalised through the Stability and Growth Pact but that is also a consequence of low growth rates and rising public debt rates. Interestingly, this tells a story about mounting financial pressures caused by the financial crisis, but it also reveals a strong adherence to the EU creed of austerity and budgetary discipline as the main rationale in the midst of economic crisis. In a way, this may point at something close to a paradigmatic change in the way that the state's role for social welfare is conveyed. It is also likely to divert the evolution of Finnish family policy away from the more traditional Nordic path with universal services and universal child benefits for all. It is also plausible, that these hardening economic circumstances may also trigger ideological criticisms of the
Finnish family policy, criticisms that have so far been quite subtle and downplayed in the political discourse.

With these changes in social policies, it would not be surprising to see increasing Nordic variation, as the direct impact will only be relevant to three out of the four main Nordic cases and the indirect impact of the EMU will have a most pronounced effect only in one out of four. As only three of the four Nordic countries under investigation here are members of the EU, this can obviously have an important role on the varied impact EU has had and will have on Nordic social policy. Furthermore, among the three EU member countries, the different approaches to monetary integration create very different policy repertoires for each country. While Denmark and Sweden have kept their national currencies and saved the possibility of devaluing their currencies in situations of sluggish growth and declining competitiveness, Finland as a Euro country has no other option than to use ‘internal’ devaluation in similar situations through the use so-called structural reforms. The ongoing restructuring of the Finnish welfare state, with cutbacks in welfare transfers and envisaged tax increases, can be seen as a good example of this kind of reform, since it has become widely viewed as an economic and political necessity after several years of sluggish growth, a greying of the population and rising public debt (Nygård et al. 2013).

The Nordic models in the 2000s – from diverging welfare expenditure to varied outcomes?
So far we have discussed possible impacts of the EU and the ESM on different aspects of Nordic social policy. Let us now turn our attention to the outcomes that recent social policy changes may have had on public social expenditures and the level of social wellbeing in Nordic countries. As shown in figure 1, which shows the change in the level of public social expenditure relative to GDP from 1980 until 2012, we can see some fluctuation during the 2000s, but also some interesting country variation.

<FIGURE 1 HERE>

We see a successive increase of public social expenditures until 2009, followed by a slump in the years 2010 and 2011 that is most likely caused by the financial crisis. In Denmark, Finland, Sweden, the relative public social expenditure level started to rise again in 2012. We can also see that there are major differences between the countries in terms of public social expenditure levels, with the abovementioned three countries in top and Norway on much lower level. It should be noted though that one explanation to this difference lies in the GDP rate, which has generally been higher in Norway than in the other four countries. When it comes to the change in standard of living (Figure 2), measured as GDP per capita, we see a similar slump in 2009 as in the case of expenditures. We can also observe that Norway is in a class of its own, whereas the four other countries tend to cluster nearer to the OECD average.

<FIGURE 2 HERE>

What about the effects on equality? As shown in table 2, we can detect an overall increase in the income inequality level as the Gini coefficient has climbed in all five
Nordic countries since the mid-1990s, save for Norway where it climbed in the early-2000s and then dropped. A possible explanation to this change is the higher and persistent unemployment that has troubled these countries in the wake of the financial crisis, but another explanation lies in the number of high-wage earners, notably those with capital incomes. Moreover these changes reflect a somewhat weaker redistributive capacity of taxation systems in the Nordic countries as well as cuts in unemployment benefit generosity as well as other social transfers (Immervoll and Richardson 2011).

Table 3 tells a rather similar story as we can see that relative poverty levels have climbed in all Nordic countries during the 2000s, more so though in Finland, Norway and Sweden than in Denmark and Iceland.

It is hard to say whether these changes in social wellbeing reflect processes of Europeanisation or are an outcome of other processes. The most probable interpretation would be that they reflect changes in income structures as well as a weaker distributive effect of taxation systems and income transfers in the first place, whereas processes related to Europeanisation is only reflected in an indirect way.

**Conclusion**
The aim of this chapter has been to discuss the influences of the EU social dimension on Nordic welfare states over the last decade. A first conclusion that can be drawn from this discussion is conceptual and relates to the Nordic welfare model. We argue that talking about the Nordic welfare model is a simplification that has its roots in the heyday of the ‘welfare modelling business’ (Abrahamson 1999). Not only have the Nordic countries been more diverse both socially, culturally and politically than these typologies have let us understand, they have also largely created a picture of the social policy systems that often misses the finer nuances of diversity between the models. Furthermore, and importantly for the core questions asked in this book, the Nordic countries have adopted somewhat varied approaches towards the European integration process and the EU, with Denmark and Finland being more actively involved than Sweden and certainly Norway.

Second, we can trace a growing influence from the EU in terms of a higher accentuation of soft-law governance and policy learning (Saari and Kvist 2007) as well as the use of best practices that have given politicians in Nordic countries a wider repertoire of policy responses to similar challenges like economic openness, ageing populations or labour-market inefficiencies (Schmitt and Starke 2011). As an example, ideas about the social investment welfare state have received a growing attention among Nordic policy makers, most notably within early childhood and care policies (Campbell-Barr and Nygård 2014). Likewise ideas about social inclusion and employment promotion, as presented in the Amsterdam Treaty, The Growth and Stability Pact and the Lisbon Strategy have had a strong influence on active labour market policies, the accentuation of work-family reconciliation and reforms of
unemployment benefit systems in all Nordic countries, but perhaps most visibly so in Denmark and Finland.

This is not to say that there would be financial or political challenges that threaten to undermine the core foundations of the Nordic welfare models. One important challenge is the significant funding base that is needed for financing the Nordic welfare systems and the fact that most countries, most currently Finland, experience problems of maintaining this base due to sluggish growth and rising unemployment. Nordic states may experience increasing political criticism towards the universal and tax-funded Nordic welfare system as the middle classes are becoming more individualistic and require more say in the provision of, for example, health care services and elderly care services. Also the EU has a role to play here. Through the different treaties and regulations that constitutes the EU social dimension, but also through the mechanisms related to the monetary cooperation, much of the political and economic room for manoeuvre for national governments have spilled over to the European council, the Commission and the European Central Bank. For the only Eurozone member among the Nordic countries, Finland, this has meant that the government faces the same challenges as other countries, but has a diminished capacity to conduct independent economic and fiscal policy.

All in all, this means that the changes that have been made in Nordic countries during the 2000s, and those that are currently envisaged, are not so much related to the European Union per se as to wider economic factors linked to the developments and changing discourses in the global market. It also means that we can observe quite different policy responses to the challenges facing the Nordic welfare states. For
instance, whereas Norway has not pursued most cost containment and cutbacks in social policy, the other countries have to varying extent been forced to pursue such policies. The focus and scope of such curtailments differ, however, as a result of domestic factors and institutional and political characteristic of the countries.
Bibliography


**Tables and figures**

Table 1. The share of children that receive more than 30 hours of childcare or early education per week (EU-SILC). Source: Eurostat 2012

<table>
<thead>
<tr>
<th></th>
<th>Children under 3 years</th>
<th>Children between 3 and 7</th>
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<td></td>
<td>2005</td>
<td>2010</td>
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<tr>
<td>Denmark</td>
<td>60</td>
<td>68</td>
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<td>Finland</td>
<td>19</td>
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<tr>
<td>Sweden</td>
<td>31</td>
<td>33</td>
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Table 2. The development of the Gini coefficient in Nordic countries from the mid-1990s to around 2010 (disposable incomes). Source: OECD 2012

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<thead>
<tr>
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<th>ca 1995</th>
<th>ca 2000</th>
<th>ca 2005</th>
<th>ca 2010</th>
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<td>0.23</td>
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</tr>
<tr>
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<td>0.22</td>
<td>0.25</td>
<td>0.25</td>
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<td>0.26</td>
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<td>Sweden</td>
<td>0.21</td>
<td>0.24</td>
<td>0.23</td>
<td>0.26</td>
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</table>
Table 3. The relative income poverty in Nordic countries since the mid-1970s to around 2010. Source: OECD 2012

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<tr>
<td>Denmark</td>
<td>..</td>
<td>6.0</td>
<td>6.2</td>
<td>4.7</td>
<td>5.1</td>
<td>5.3</td>
<td>6.1</td>
</tr>
<tr>
<td>Finland</td>
<td>9.9</td>
<td>5.2</td>
<td>..</td>
<td>4.1</td>
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<td>6.6</td>
<td>8.0</td>
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<td>5.9</td>
<td>6.4</td>
</tr>
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<td>6.4</td>
<td>..</td>
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<td>6.8</td>
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<td>5.3</td>
<td>8.4</td>
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Note: the threshold for poverty is set at 50 percent of the median wage in each country and year.

Figure 1. Public social expenditures in relation to GDP (%) in Nordic countries 1980–2012. Source: OECD 2014