

SOCIAL SECURITY - THE DYNAMICS OF DEVELOPMENT IN NORTH EUROPEAN COUNTRIES AND REFERENCE VALUE FOR VIETNAM

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***Abstract:** Social security holds a particularly important position in each country's sustainable development strategy and is considered a key tool for building a developed society. An effectively implemented social security system will make an important contribution to the country's development. The social security model in Nordic countries is characterized by a balance between economic growth and social security, offering values and experiences that have been adopted by many countries around the world, including Vietnam. Male. The article contributes to clarifying the role of social security in Northern European countries and its reference value for Vietnam.*

***Keywords:** Social security, Northern Europe, reference values, Vietnam*

Introduction

Social security is the protection of society's members through the policy system, state programs, and social organizations, which assist the entire society and its individuals. Encounter risks or social events. An effectively built and implemented social security system will make an important contribution to the development of each country.

The Nordic region is famous for its livable countries (Finland, Sweden, Norway, etc.) and the world's leading social security system. The social security model in Northern Europe is considered one of the most comprehensive social security systems,

contributing to improved efficiency in social management, economic growth, and social cohesion.

1. Social security is the driving force of development in the Nordic countries

The development model in Nordic countries is often known as a balance between economic growth and social security. In those countries, the government consistently considers social security to be in a particularly important position in its sustainable development strategy and as a key tool for building a developed society.

First, social security in the Nordic

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countries is supposed to provide (conditionally or unconditionally) a minimum level of income. This is to ensure the minimum human right to life, including the rights to food, health, education, shelter, and basic social services, to protect people from poverty due to a lack of access to these necessities, and to provide temporary or permanent income.

Nordic countries have the world's leading universal and comprehensive healthcare and insurance systems. The average number of nurses per 1,000 people is 12.9. Additionally, free medical examinations and treatment are available for minors (under 16 years old) and pregnant women. Insurance funds account for 20-30% of countries' GDP. The average life expectancy of Northern Europeans is 82.3 years. The infant mortality rate is at the lowest level, only about 3 children/1,000 births (Pham Thi Thu Lan 2023).

Education in Nordic countries is free or highly subsidized. The state spends a large budget investing in education (about 3-8% of GDP), encouraging people to learn for life. The state provides 100% free tuition during high school and supports university tuition as well. Child care is a great concern, particularly through state support policies such as tax exemptions or additional subsidies that last for 1 to several years for those raising minor children. The State spends up to 2-3% of GDP on childcare, building a system of

kindergartens and childcare centers, to help mothers feel secure in participating in the labor market. The enrollment rate of students in these countries is among the highest in the world (Pham Thi Thu Lan 2018).

The goals of universal education and providing universal health services are especially important, and have been given high priority for economic development and national prosperity for many years. The responsibility of the state and the public sector to ensure population health was affirmed early on to create wealth, assets, and national power. The first emphasis is on making education compulsory and universal, which is not only a necessary premise for promoting economic development but is also recognized by society as very important for all. The population can understand all biblical texts, doctrines, and perceive the law. People who have achieved universal general education and high-level professional education have been instrumental in driving industrialization, modernizing the economy, and fostering rapid economic development since the early twentieth century.

Regarding public transportation, Northern European countries apply a subsidy policy for urban rail and bus vehicles. Finland and Sweden offer free bus and urban rail transport to children under 5 years old and their accompanying adults.

In addition to ensuring social security

as a basic right of citizens, Nordic countries increasingly recognize the role of social assistance in preventing poverty, limiting relapse into poverty, and alleviating the burden on future generations. Therefore, Northern European countries are gradually refining their approach to lifelong social security, ensuring timely and adequate social support against life's risks and events from birth to death. At death, especially in the context of the 4.0 industrial revolution. Creating jobs for workers and investing in skills development and capacity building are ways in which social security contributes to the overall development of society and promotes social cohesion.

Second, income distribution is one of the key functions of social security in Nordic countries, ensuring income for those who are unable to generate it.

Social security programs in the Nordic countries are divided into two groups: income security programs and health and social service provision programs. The revenue sources of social security programs encompass two primary areas: social insurance, which provides income security for the elderly, the sick, pregnant women, the unemployed, and individuals with work-related disabilities. Dynamic and income security is classified, such as welfare, which includes income transfers to subsidize families through measures like child payments, maternal benefits, payments to war victims and

their families, and providing financial assistance to those who are disabled or have urgent needs. Policies and forms of regular and extraordinary social support for disadvantaged groups clearly demonstrate the function of risk sharing.

The state and local governments in Nordic countries provide social welfare services to individuals and families. This model ensures a robust infrastructure system, social services that meet people's needs, and high-quality service. Every individual is entitled to benefits, regardless of their contributions. This model is almost not interested in the market, but it wants to build comprehensive solidarity and create social consensus. All benefits are contingent upon payment, which is mandatory. The state is responsible for the whole society and for families.

In Nordic countries, women who give birth are entitled to 18 months of paid leave, of which the first 12 months are paid at 100% of their salary and the subsequent months are paid at 90% of their salary (Hồng Anh 2021). If children are sick, in addition to free hospital treatment, parents also receive cash benefits and paid leave to take care of their children. The rate of women participating in labor and politics in this region is always the highest in the world. Men also get the longest leave in the world when their wives give birth. Norwegian workers' holiday pay is equivalent to 10.2% of their total annual

wages (Deloitte Advokatfirma 2022: 27).

Family allowances in the Nordic countries are implemented in various forms; parents receive information, support, and advice on parenting and health, as well as vaccinations before and after childbirth from childcare hospitals. State health care. These hospitals also monitor children's physical, neurological, and social well-being, collecting data to support public health goals. From January 1, 2022, parents with children under 18 years old residing in Norway are entitled to a monthly child benefit allowance; Children under 6 years old receive 1676 NOK/month, and 1054 NOK/month for children 6 years and older (Deloitte Advokatfirma 2022: 25). In Finland, parents with no or very low income receive a minimum daily allowance of 724 €/month. Finland is a country with the lowest proportion of people at risk of poverty and social exclusion in Europe. Income transfer systems effectively help low-income people escape poverty (Kangas, O., S. Jauhiainen, M. Simanainen, M. Ylikanno 2021). In Denmark, unemployed young people who have completed 18 months of vocational training or served in the military are entitled to an allowance of 646 DKK per day and 5 days/week (European mission 2013: 27).

Third, social security in Nordic countries contributes to improving the efficiency of social management,

reducing inequality, narrowing the gap in living conditions by region and population groups, and contributing to economic growth. Economics and social cohesion.

In Sweden, all employers are required by law to pay social insurance for their employees (including costs for pensions, health insurance, and other social benefits). These contributions represent 31.42% of the total salary. For workers between 15 and 18 years old, the contribution rate is 10.21% (The Swedish Trade and Invest Council 2021). In Denmark, all citizens under 65 years of age are entitled to a pension in the event of disability, which typically begins at age 65. Those who work at least 9 hours/week are entitled to a benefit (additional pension). supplement) (European mission 2013: 5)... Although there is no national law on minimum wages, industry collective agreements regulate the minimum wages for each industry. This illustrates the flexibility of the labor market when labor policy is controlled through collective agreements rather than national laws.

The development of social welfare systems for workers in Nordic countries is built on a system of international labor standards. Norway, Denmark, Finland, and Sweden are all members of the International Labor Organization (ILO). Therefore, the process of forming international labor standards by the ILO is also a process of establishing labor standards in the Nordic countries. From

the beginning, the Nordic countries have ratified core conventions (8/8 conventions) and ILO governance conventions (4/4 conventions). To date, out of a total of 189 conventions, Norway has ratified 110; Denmark has ratified 72 conventions; Sweden has ratified 82 conventions; and Finland has ratified 102 conventions (Pham Thi Thu Lan 2018).

Full employment is a right for women, children, retirees, the sick, and individuals in need of healthcare services, as well as other social services. Therefore, Nordic countries are considered rich, prosperous, and fair societies with low unemployment rates. According to data from the Organization for Economic Cooperation and Development (OECD), in 2017, 77.4% of working-age people in Nordic countries were employed, while in English-speaking countries, the figure was 72.4%, and in Europe as a whole, it was 68.9% (Pham Thi Thu Lan 2023).

In recent years, as the world has struggled to cope with successive waves of the Covid-19 pandemic and the global economy has been in a serious recession, social security policies in Northern Europe have been a solution. A lifeline for millions of unemployed people in this area. According to the International Labor Organization's World Social Security Report 2020-2022, to date, only 18.6% of unemployed workers worldwide are actually receiving unemployment benefits (ILO 2022:

5). In the Nordic countries, in 2021, the unemployment rate remained low; in Finland, it was 7.53% (Economic Data 2021c) in Denmark, it was 4.80% (Economic Data 2021a) in Norway, it was 4.99% (Economic Data 2021b)...

Compared to other social models in Europe, the Nordic model has much higher social costs. However, this social cost is offset by very high tax rates (about 50-51%). In contrast, the tax rates of other European social models are often lower (the Mediterranean model has a contribution tax rate). The tax contribution is 42%, while the Anglo-Saxon model tax contribution is 36%. When comparing sustainability, the Nordic model is considered the most superior because it achieves the best results in several key aspects, including reducing unemployment, eliminating poverty, investing in people, and addressing budget deficits. In Finland, in 2019, total social spending accounted for nearly 30% of the country's gross domestic product. The main sources of revenue are income and profits taxes (15% of GDP), goods and services taxes (14%), and social security contributions (12%). Both central and local governments collect taxes to fund their missions (Kangas, O., S. Jauhiainen, M. Simanainen, M. Ylikanno 2021).

The effectiveness of the social security system makes Northern Europe the group of countries with the highest human development index in the world. Of the 189 countries ranked in 2018,

Norway: 1, Sweden: 7, Denmark: 11, and Finland:15 (UNDP 2018). In 2021, the human development index of Norway, Denmark: 6, Finland: 11, Sweden: 9 (Human Development Index of Nordic Countries, 2021)... Nordic countries are also among the group with the lowest inequality index in the world. Regarding the happiness index, Northern European countries consistently rank among the top countries with the happiest populations. In 2019, Finland ranked first, followed by Denmark (2nd), Norway (3rd), and Sweden (7th). In 2022, most Nordic countries also ranked among the world's top 10 happiest countries (World Happiness Report 2022).

2. Some reference values to improve the social security system in Vietnam

In the process of national development, social security has always been a concern for the Party and State of Vietnam, which aims to promote equality and social progress, thereby improving the quality of life for all people. The legal system and social security policies are always supplemented and enhanced to suit the country's socio-economic development process. The 13th Party Congress determined: Strengthen management of social development, ensure progress and social justice, sustainability in social policies... build social policies and management appropriate to social development principles. Thus, our Party always considers social policy

to play a particularly important role, as the goal and driving force for rapid and sustainable development in all stages of the country's development. Continuously improving and enhancing people's material and spiritual lives, as well as ensuring social security, are regular and important tasks for the Party, the State, the entire political system, and society as a whole.

On the basis of research experience in developing social security systems in Nordic countries, the following reference values can be drawn:

Firstly, building a social security system that covers the entire population and ensures access to security for everyone is a core element of a people-centered approach to achieving social justice.

Second, develop a diverse and multi-layered social security system in the following direction to ensure a minimum level of social security, with a focus on poverty reduction and social assistance for vulnerable groups.

Third, there is close coordination between the mechanisms that increase access to medical care services and those that ensure income security, effectively addressing existing problems in the field of social healthcare. The most effective.

To perfect the social security system in Vietnam, creating motivation for sustainable development, in the current period, it is necessary to focus on the following basic contents:

Firstly, conduct a review and

evaluation of the current system of social security policies and laws according to international criteria and standards, supplementing, amending, and fully promulgating the legal system on social security. Continue to build and improve social policies in the direction of timely and effective risk management. It is essential to place workers at the center of policy and utilize their social security rights as a criterion to assess the quality and effectiveness of the policy in practice. Research and implement the building of a social security reserve fund with a long-term vision to support workers who lose their jobs, cope with sudden risks, and contribute to reducing the load on social security funds. Traditional social funds, such as social insurance funds and health insurance...

Second, develop a comprehensive social security program for each period. Along with that, create a diverse social security model that meets the diverse security needs and contribution abilities of different population groups. In addition to social security programs provided or coordinated by the State, the participation of businesses and other organizations can be mobilized. Social participation does not only stop at contributing resources, support, or coordination, but can directly provide social security services. In the context of socio-economic recovery after the COVID-19 pandemic, priority for social security continues to play an essential role.

Third, mobilize resources to ensure social security. Increase State investment according to annual, medium-term, and long-term plans; Promote the mobilization of business resources, people's contributions, and international support to ensure 30% of the total investment from the state budget for social security; Develop sustainable social security funds in the long term, innovate management and use of resources to ensure the right objectives, subjects, and effectiveness. There needs to be a propaganda strategy to make workers, employers, and the general public clearly see that the social insurance policy is the most proactive and sustainable social security measure. Implement promptly, accurately, and transparently social insurance, health insurance, accident insurance policies... to support people in terms of income, health care, vocational education...

Fourth, develop and improve the quality of the social security service delivery system, such as employment services, care for social protection beneficiaries, payment services, social work services... according to Professional direction and autonomy. Pay attention to community care and expand non-state participation (including social organizations, non-governmental organizations, and businesses) to engage in this effort. Regarding access to basic social services, such as health, education, housing, information, and communication,

as well as the environment, special attention should be paid to the grassroots service system in terms of both human resources and material resources, as well as service quality.

Fifth, ensuring social security in conjunction with social justice requires a rapidly growing, highly efficient, and sustainable economy, as well as a culture deeply rooted in the spirit of humanity, democracy, progress. There cannot be adequate social security on the basis of a deficit economy, nor can there be a fast-growing, highly efficient, and sustainable economy in a society with the majority of the population being intellectually inferior. Intellectually, physically ill, morally degraded, and a significant part of the workforce falls into unemployment, poverty, and is pushed to the margins of society. Just as Karl Marx pointed out: “The right [of people to have social security associated with social justice] can never be at a higher

level than the economic regime and cultural development of society”. That economic regime determines the society” (Karl Marx and Friedrich Engels 1995, vol.19: 36).

Conclusion

The social security system in the Nordic countries plays a crucial role in reducing poverty, minimizing inequality, addressing current and future challenges, and facilitating the process of structural transformation. Economic structure while supporting developing countries. A social security system that covers the entire population and ensures access to security for everyone, closely coordinating mechanisms to increase access to medical care services and mechanisms to provide income security, social assistance for disadvantaged groups... are reference values for Vietnam in the process of building and developing a sustainable social security system, creating motivation to promote economic growth and development of the country.

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