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Article

Efficiency and equity: The Swedish economy in comparison to other countries at the beginning of the 21st century

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Empirical Paper

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Efficiency and equity – The Swedish economy in comparison to other countries at the beginning of the 21st century

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Abstract: Referring to economic ideals of efficiency and equity, we are comparing the state of the Swedish economy in the early 21st century to the situation in other countries, especially the other Nordic countries, the United States (US), and Poland. After presenting the basic facts about Nordic countries we examine the issue of economic efficiency. In addition to gross domestic product (GDP) we use the Human Development Index (HDI), the findings of the economics of happiness, and the number of registered triadic patent families as measures of efficiency. Then we analyze the issue of equity. We use the Gini coefficient, the extent of poverty, the level of unemployment, and the level of intergenerational mobility of earnings as measures of equity.

The analysis reveals that inhabitants of Sweden and the other Nordic countries have been achieving some of the best economic results in the world. This applies to the level of GDP per capita in these countries, to the capability of inhabitants to utilize their full potential, and to their life satisfaction. These countries' ability to create innovation is impressive. At the same time, Nordics have successfully reduced the scale of social inequalities and ensured relatively equal opportunities for all citizens. This is evidenced by low income inequality, low unemployment, and low poverty rate in these countries.

Sweden and the other Nordic countries are superior to the US both in terms of efficiency and equity. Poland, on the other hand, lags far behind Nordics, as well as the US, in terms of efficiency, as exemplified by the relatively low GDP per capita and very low innovation in Poland. In terms of equity, however, Poland loses to Nordics but seems to win to the US.

Keywords: comparative economic systems, Nordic model, Sweden

JEL Classification: P520

1 Introduction

Referring to the well-known to economists' ideals of efficiency and equity, we are comparing the state of the Swedish economy in the early 21st century to the situation in other countries, especially the other Nordic countries, the United States (US) and Poland. By doing so, we want to test the widespread belief in Sweden's economic and social success.¹

We felt that Sweden deserves a special distinction among the Nordic countries because it is by far the largest Nordic country. Sweden also attracts the most attention from economists (for many years the term

¹ The Nordic countries are also the topic of the paper [Czarny, 2018], the main aim of which is to show that, compared to other economic regions, these countries are similar to each other due to the very good economic performance they achieve.

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“Nordic model” was synonymous with “Swedish model”). For example, it is Sweden that receives the most attention from Nima Sanadaji in his controversial but popular, in Poland as well, works on the reasons for the economic and social success of the Nordic countries (e.g., Nima Sanadaji, *Mit Skandynawii, czyli porażka polityki trzeciej drogi*, Fijor Publishing Chicago-Warszawa, Warsaw 2016). A critique of Sanadaji’s views is presented in Czarny [2021].

In contrast, the US is the most relevant example of a model of capitalism radically different from the Nordic model. It is therefore appropriate to compare the economic performance in the US and Nordic countries. In addition, during the recent presidential election and the rivalry between Donald Trump and Joe Biden, the argument about the desirability of reforming the American economy along Nordic lines has become prominent in the US. This also encourages comparisons. In turn, we have included Poland in our comparison not only to satisfy the natural interest of Polish readers – the other reason is that the “Nordic model” is becoming increasingly popular in Poland.

The structure of the paper is as follows.

In the introduction we present the subject, the aim, and the structure of the paper.

In the first part, we briefly introduce Sweden and the other Nordic countries. To this end, we present basic geographical and economic facts about these countries.

In the second part, we examine economic efficiency in Sweden. In addition to gross domestic product (GDP), we use the Human Development Index (HDI) and the findings of the economics of happiness. After all, the end result of economic activity should be to seize the opportunities for development, as well as life satisfaction (happiness) of people. We conclude the assessment of the economic efficiency of the Swedish economy by comparing the number of the so-called triadic patent families registered by Sweden and other countries. In the end economic efficiency means not only increasing the production of goods but also improving their quality and creating new goods that better meet human needs.

In the third part, we analyze the issue of equity (or fairness or justice) by which we understand the lack of domination and suffering, and equal opportunities in society. Economists usually call a situation fair if income (and consequently, wealth and opportunities for success) depends on people’s productivity, effort (endeavor), and socially accepted needs. In practice, the concern for equity requires the reduction of income disparities that arise spontaneously in markets, which is achieved through, among other things, taxes and transfers. We therefore consider the measure of income inequality (Gini coefficient), but also the extent of poverty, and the level of unemployment, as indicators of equity. In turn, we consider the so-called intergenerational mobility of earnings to be an indicator of equal opportunities to take advantage of one’s innate abilities.

We conclude by summarizing our findings.

2 Sweden and the other Nordic countries

The Nordic countries, or the three Scandinavian countries: Denmark (including Greenland and the Faeroe Islands), Norway, and Sweden, as well as Finland and Iceland, which are not part of Scandinavia, are concentrated – with the exception of Iceland – around the Baltic Sea. The Member States of the European Union (EU) are: Denmark (since 1973), Finland (since 1995), and Sweden (since 1995). Norway and Iceland are not members of the EU. Only Finland is a member of the Euro area.

Table 1 contains information on the area and population of the Nordic countries in 2018. These include the fact that Sweden, occupying the main part of the Scandinavian Peninsula, is by far the largest of the Nordic countries.

Table 1. Territory and population in the Nordic countries, 2018

	Denmark	Finland	Iceland	Norway	Sweden
Area (in km ²)	43,094	338,145	103,000	323,802	450,295
Population (in million people)	5.810	5.537	0.344	5.372	10.041

Source: Central Intelligence Agency, *The World Factbook*, 2018.

On the other hand, Table 2 contains information on the area and population of Sweden compared to the US and Poland at the end of 2018.

Table 2. Territory and population in Sweden, US, and Poland, 2018

Country	Area (in km ²)	Population (in million people)
Sweden	450,295	10.041
US	9,833,517	329.256
Poland	312,685	38.421

Source: Central Intelligence Agency, The World Factbook, 2018.

In 2018, Sweden had a population of approximately 10.041 million inhabitants in an area of 450,295 km². For comparison, the area and population in the US was 9,833,517 km² and 329.256 million. The corresponding figures for Poland are 312,685 km² and 38.421 million. As a result, the population density in Sweden, the US and Poland was 22.3; 33.5; and 122.9 people per km² respectively.

The GDP produced in Sweden was 518 billion dollars at a purchasing power parity (PPP) rate. This represented, respectively, 2.66% of the US GDP (USD 19.49 trillion) and 46.0% of Poland's GDP (USD 1.126 trillion) (Central Intelligence Agency, The World Factbook, 2018, own calculations).

3 Efficiency

The detailed description of economic performance in Sweden starts with the HDI.

3.1 Human development index

The HDI is the geometric mean of three sub-metrics measuring, respectively, the wealth, education, and health of the population. In this way, in a concise form, it provides information about the objective conditions on which people's ability to use their natural potential depends. The construction of the indicator causes it to take a value from 0 to 1.

Published by the Human Development Office of the United Nations Development Programme on September 14, 2018, the document entitled Human Development Indices and Indicators: 2018 Statistical Update contains information on the level of HDI in 189 countries worldwide in 2017. Sweden came seventh in this ranking (*ex aequo* with Hong Kong). All Nordic countries ranked among the top 15 countries with the highest level of development. Norway is in first place, Iceland in sixth, Denmark in 11th place and Finland in 15th place (see Figure 1).

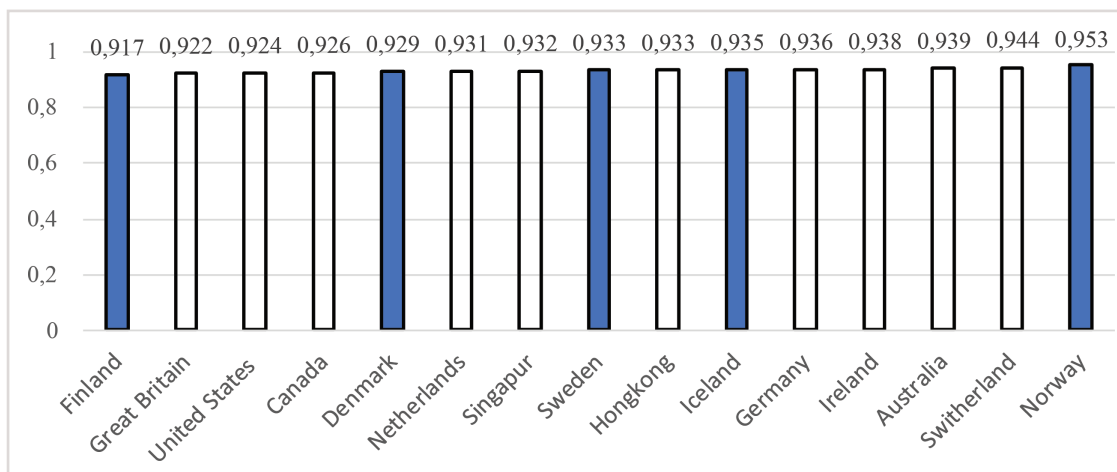


Figure 1. Countries with the highest HDI, 2017.

Source: Human Development Indices and Indicators: 2018 Statistical Update 2018, p. 22. HDI, Human Development Index.

The position of Sweden compared to the other Nordic countries is presented also in Table 3.

Table 3. HDI in Sweden and other Nordic countries, 2017

Sweden	Norway	Iceland	Denmark	Finland
0.933	0.953	0.935	0.929	0.917

Source: Human Development Indices and Indicators: 2018 Statistical Update 2018, p. 22.
HDI, Human Development Index.

As regards the situation in Sweden against the backdrop of the US and Poland, the relevant information is contained in Table 4. From these data, it appears that in 2017 the level of social development in Sweden (HDI = 0.933) was slightly higher than that in the US (HDI = 0.924) and significantly higher than that in Poland (HDI = 0.865).

Table 4. HDI in Sweden, the US, and Poland, 2017

Sweden	US	Poland
0.933	0.924	0.865

Source: Human Development Indices and Indicators: 2018 Statistical Update 2018, p. 22.
HDI, Human Development Index.

3.2 Life satisfaction

Objective measures of social development and subjective measures of life satisfaction (happiness) naturally complement each other.² To assess the level of life satisfaction of Swedish citizens, we use the results of research conducted as part of the so-called economics of happiness.

According to the renowned 2019 World Happiness Report published by Sustainable Development Solutions Network on March 20, 2019, the Nordic countries, apart from Sweden, are in the top four places in the ranking of countries whose inhabitants feel most satisfied with life. Sweden is classified in the seventh place, after the Netherlands and Switzerland (see Figure 2). The report covers 156 countries and the period 2016–2018.

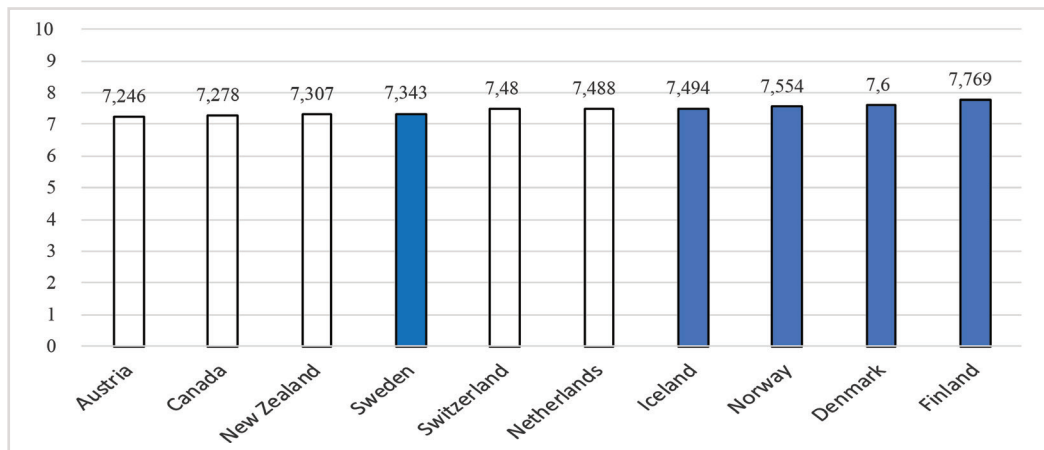


Figure 2. Countries with the highest level of life satisfaction of their inhabitants, 2016–2018^a.

^aScale 0–10.

Source: Helliwell, Layard, Sachs 2019.

² Using the Human Development Index, HDI, makes it easier to assess whether there is a real improvement in living conditions behind the increase in subjectively perceived life satisfaction. In turn, the use of measures of subjective life satisfaction offered by the economics of happiness makes it easier to assess whether progress really took place, when it is suggested by the indicator of human development [Hall and Helliwell, 2014, p. 11].

The level of life satisfaction in Sweden compared to the other Nordic countries is presented also in Table 5.

Table 5. Life satisfaction in Sweden and other Nordic countries, 2016–2018^a

Sweden	Finland	Denmark	Norway	Iceland
7.343	7.769	7.600	7.554	7.494

^aScale 0–10.

Source: Helliwell, Layard, Sachs 2019.

Finally, the level of life satisfaction of Swedish residents (seventh position in the ranking) is clearly higher than that of the US (16th position in the ranking). It also significantly exceeds the level of life satisfaction of Polish citizens (position 40 in the ranking). For more detailed data see Table 6.

Table 6. Satisfaction with life in Sweden, the US, and Poland, 2016–2018^a

Sweden	US	Poland
7.343	6.892	6.182

^aScale 0–10.

Source: Helliwell, Layard, Sachs 2019.

We will now use more traditional economic indicators. We consider the size of GDP per capita and the innovativeness of the economy measured by the number of patents to be a direct measure of economic efficiency. The level of GDP per capita is an approximate measure of the amount of goods produced by an average citizen. Roughly, an increase in GDP per capita therefore means that human needs are better met. The answer to the question of whether, over time, the goods produced are better suited to people's needs depends in turn on economic innovativeness.

3.3 GDP per capita

All Nordic countries have a very high level of GDP per capita. According to this criterion, in 2018, Sweden ranked 11th among 36 Organization of Economic Cooperation and Development (OECD) countries. The other Nordic countries were – 4th (Norway), 7th (Denmark), 8th (Iceland) and 14th (Finland) among OECD countries, respectively (see Figure 3).

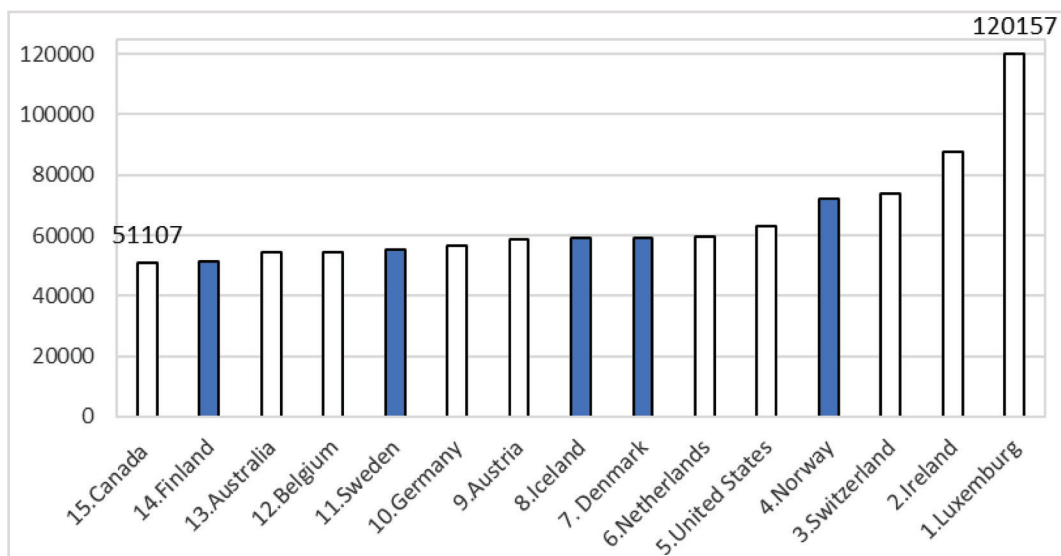


Figure 3. OECD member countries with the highest per capita GDP, 2018^a.

^aIn US dollars, current PPPs. GDP, gross domestic product; PPP, purchasing power parity.

Source: OECD [2021], GDP: GDP per head, US\$, current prices, current PPPs; <https://stats.oecd.org/index.aspx?queryid=60702> (accessed January 9, 2021).

The place of Sweden in comparison with the other Nordic countries is detailed in Table 7.

Table 7. GDP per capita in Sweden and other Nordic countries, 2018^a

Sweden	Norway	Denmark	Iceland	Finland
55,243	71,909	59,272	58,953	51,296

^aIn US dollars, current PPPs.

Source: OECD [2021], GDP: GDP per head, US\$, current prices, current PPPs; <https://stats.oecd.org/index.aspx?queryid=60702> (accessed January 9, 2021).

GDP, gross domestic product; PPP, purchasing power parity.

In turn, the information in Table 8 shows that in terms of GDP per capita in 2018, Sweden lost to the US by 13.9%.³ At the same time, the GDP per capita in Sweden was almost 70% higher than in Poland.

Table 8. GDP per capita in Sweden, the US, and Poland, 2018^a

Sweden	US	Poland
55,243	62,949	32,611

^aIn US dollars, current PPPs.

Source: OECD [2021], GDP: GDP per head, US\$, current prices, current PPPs; <https://stats.oecd.org/index.aspx?queryid=60702> (accessed January 9, 2021).

GDP, gross domestic product; PPP, purchasing power parity.

3.4 Innovativeness

A common indicator used by economists to measure innovativeness of an economy is the number of so-called triadic patent families. These are groups of patent applications filed with all three most important patent offices in the world, protecting the same invention and originating from one country: the European Patent Office (EPO), the United States Patent and Trademark Office (USPTO), and the Japanese Patent Office (JPO) [see Sternitzke, 2009]. One of the advantages of this innovation indicator is that it measures the direct effects of Research and Development (R&D) and not the expenditure incurred to achieve these effects. According to this criterion, Sweden and other Nordic countries are among the most innovative OECD members. In 2018, Sweden ranked third in the OECD, Denmark sixth, Finland ninth, Norway 17th and Iceland 22nd (see Figure 4).

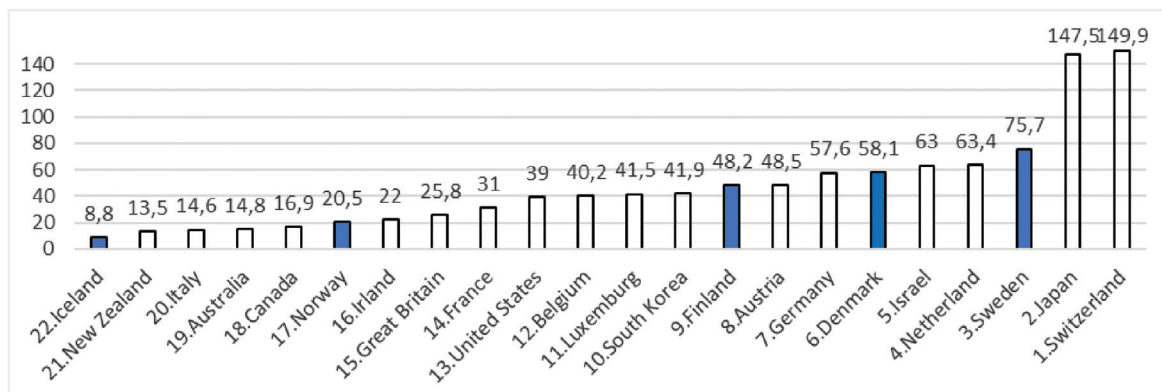


Figure 4. Number of triadic patent families per million inhabitants, 2018.

Source: OECD [2021], Triadic patent families (indicator). doi: 10.1787/6a8d10f4-en (accessed June 2, 2021); OECD [2021], Population (indicator). doi: 10.1787/d434f82b-en (accessed June 2, 2021). Own calculations.

³ It is worth noting that the average worker in the United States spent more time than the average worker in Sweden and other Nordic countries on work during the year. For example, according to the information published in March 2019 in the Economic Report of the President: “Adults in Denmark and Norway work about 20% less, and in Sweden and Finland about 10% less than adults in the United States, in Iceland and the United States the number of working hours is similar” [White House, 2019, p. 413].

Detailed information on the number of triadic patent families per million inhabitants applied for by applicants from the Nordic countries in 2018 is provided also in Table 9.

Table 9. Innovativeness in the Nordic countries (triadic patent families, 2018)^a

Sweden	Denmark	Finland	Norway	Iceland
75.7	58.1	48.2	20.5	8.8

^aNumber of submissions per million inhabitants.

Source: OECD [2021], Triadic patent families (indicator). doi: 10.1787/6a8d10f4-en (accessed June 2, 2021); OECD [2021], Population (indicator). doi: 10.1787/d434f82b-en (accessed June 2, 2021). Own calculations.

Table 10, on the other hand, enables comparison of the situation in Sweden, the US, and Poland. It turns out that in 2018 the Swedish economy was almost two times as innovative as the US economy. The poor ability of the Polish economy to produce innovations (2.5 patent applications per million inhabitants) is striking, both in comparison with the US (39 patent applications per million inhabitants) and in comparison with Sweden (75.7 patent applications per million inhabitants).

Table 10. Innovativeness in Sweden, the US, and Poland (triadic patent families, 2018)^a

Sweden	US	Poland
75.7	39	2.5

^aNumber of submissions per million inhabitants.

Source: OECD [2021], Triadic patent families (indicator). doi: 10.1787/6a8d10f4-en (accessed June 2, 2021); OECD [2021], Population (indicator). doi: 10.1787/d434f82b-en (accessed June 2, 2021). Own calculations.

4 Equity

At the highest level of generalization, equity (fairness, justice) means the lack of domination and suffering [see Tungodden, 2008; Duclos, 2008; cf. Velasquez et al., 2014], as well as equal opportunities in society.⁴ Economists usually call a situation fair in which income (wealth, chances for success) is proportional to work performance, to effort (endeavors), and to the socially accepted needs of people [Konov, 2003]. In practice, the realization of these ideals requires the reduction (e.g., with taxes and transfers) of the income inequalities that arise spontaneously on the markets.

Therefore, we consider the measures of income inequality, the extent of poverty, and the level of unemployment (including – long-term unemployment, which most often results in social exclusion) as indicators of equity. On the other hand, intergenerational mobility of earnings is considered to be an indicator of the intensity of the processes of inheritance of poverty and wealth – i.e., as an indicator of equal opportunities to take advantage of one's natural abilities.⁵

4.1 Incomes inequality

The net incomes inequality measured by the Gini coefficient is very small in Sweden and other Nordic countries. It is worth noting that the income inequality in Sweden compared to the other Nordic countries is somewhat greater. At the end of 2017 Sweden ranked ninth among OECD countries (*ex aequo*

⁴ For example, the moral philosopher John Rawls (1921–2012), by equal opportunities, means a situation in which attractive social roles are accessible to all, not only formally, but in such a way that anyone with appropriate qualifications is able to perform these roles. In other words, people with the same talents and abilities, and equally willing to use those talents and abilities, should have an equal chance of success, regardless of circumstances such as race or gender [Rawls, 1971, p. 73, cf. Mason, 2019].

⁵ Corak writes in detail about the possibility of using the indicators of intergenerational mobility of earnings as a measure of “equal opportunities” in [Corak, 2006].

with Hungary). Fourth was Iceland, fifth was Denmark, sixth was Norway, and eighth was Finland (see Figure 5).

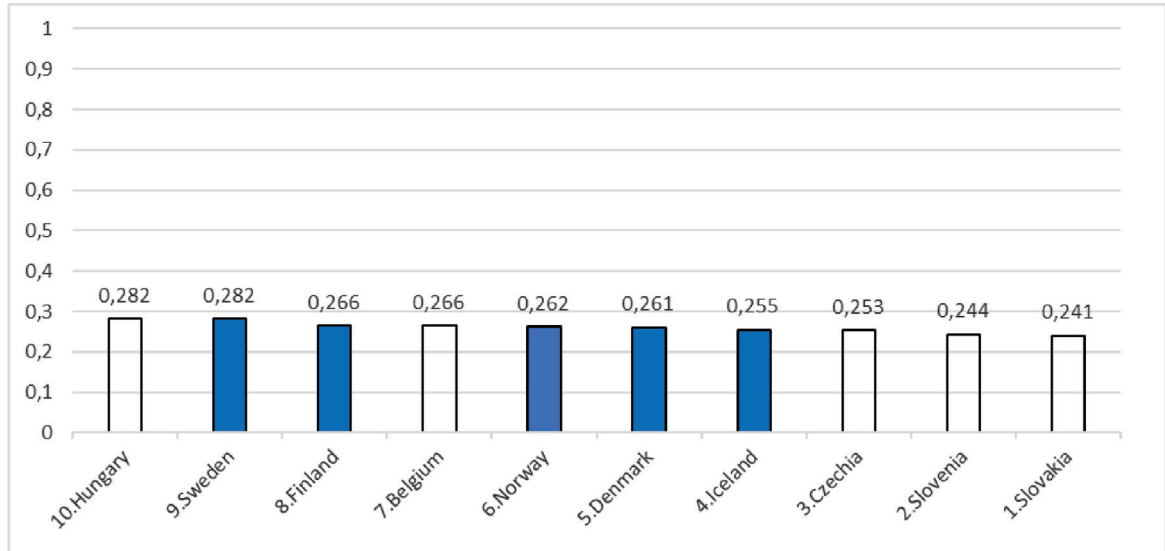


Figure 5. OECD member countries with the lowest Gini coefficient, year 2017^a.

^aScale 0 – 1.0; net income (after taxes and transfers).

^b2016 data. ^c2015 data.

Source: OECD [2019], Income inequality (indicator). doi: 10.1787/459aa7f1-en (accessed November 9, 2019).

For data on all Nordic countries, see also Table 11.

Table 11. Gini coefficient for disposable income in Sweden and other Nordic countries, 2017^a

Sweden	Finland	Norway	Denmark ^b	Iceland ^c
28.2	26.6	26.2	26.1	25.5

^aScale 0 – 100; net income (after taxes and transfers).

^b2016 data.

^c2015 data.

Source: OECD [2019], Income inequality (indicator). doi: 10.1787/459aa7f1-en (accessed November 9, 2019).

Table 12, on the other hand, enables comparison of the situation in Sweden, the US, and Poland. It turns out that the income inequalities in Sweden are much smaller than in the US (38.3% higher in the US). The official income differential in Poland is only marginally higher than in Sweden (this time the difference is 0.7%).

Table 12. Gini coefficient for disposable income in Sweden, the US, and Poland, 2017^a

Sweden	US	Poland ^b
28.2	39.0	28.4

^aScale 0 – 100; net income (after taxes and transfers).

^b2016 data.

Source: OECD [2019], Income inequality (indicator). doi: 10.1787/459aa7f1-en (accessed November 9, 2019).

4.2 Unemployment

The average level of the so-called harmonized unemployment rate (HUR)⁶ in the Nordic countries in 2007–2017 was relatively low. Tormented by the highest unemployment, Sweden was in 20th place among all OECD members. The other Nordic countries were respectively second (Norway), sixth (Iceland), 15th (Denmark) and 23rd (Finland) (source as in Table 13).

Table 13 completes this picture with additional details.

Table 13. Average HUR in Sweden and other Nordic countries, 2007–2017 (in % of the labor force)

Sweden	Finland	Denmark	Iceland	Norway
7.44	8.09	6.33	4.85	3.62

Source: OECD [2019], HUR (indicator). doi: 10.1787/52570002-en (accessed November 9, 2019); own calculations.
HUR, harmonized unemployment rate.

Compared to the US, the HUR in Sweden was 10.1% higher. In Poland, on the other hand, the HUR was 12.6% higher than in Sweden (see Table 14).

Table 14. Average HUR in Sweden, the US, and Poland in 2010–2018 (in % of the labor force)

Sweden	US	Poland
7.44	6.76	8.38

Source: OECD [2019], HUR (indicator). doi: 10.1787/52570002-en (accessed November 9, 2019); own calculations.
HUR, harmonized unemployment rate.

As regards long-term unemployment,⁷ its share of total unemployment was low in 2018 in Sweden and other Nordic countries. In the ranking of OECD countries Sweden was ninth. The other Nordic countries were in this respect respectively fifth (Iceland), eighth (Norway), 11th (Denmark) and 13th (Finland) position (see Figure 6).

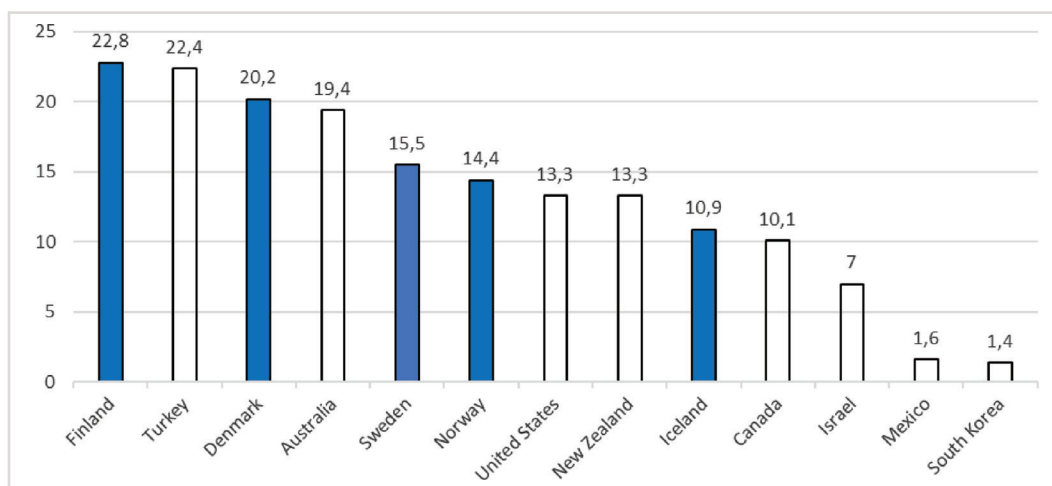


Figure 6. Share of long-term unemployment in total unemployment in selected OECD countries, 2018 (%).

Source: OECD [2019], Long-term unemployment rate (indicator). doi: 10.1787/76471ad5-en (accessed November 9, 2019).

⁶ Harmonized unemployment rates refer to the unemployed defined as persons of working age who are not working, can work, and are trying to find work. Using the same definition of unemployment for all countries makes the results more internationally comparable than using different national definitions.

⁷ Long-term unemployed are those who have been unemployed for 12 months or longer. For people affected by long-term unemployment, as well as for their families, unemployment is a cause of severe mental and economic stress. The high long-term unemployment rates indicate that labor markets are not working effectively.

For detailed information on long-term unemployment in the Nordic countries see also Table 15.

Table 15. Share of long-term unemployment^a in total unemployment in Sweden and other Nordic countries, 2018 (%)

Sweden	Iceland	Norway	Denmark	Finland
15.5	10.9	14.4	20.2	22.8

^a12 months or longer.

Source: OECD [2019], Long-term unemployment rate (indicator). doi: 10.1787/76471ad5-en (accessed November 9, 2019).

As regards the situation in Sweden against the backdrop of the US and Poland, the relevant information is contained in Table 16. In 2018, the long-term unemployment rate in Sweden was 16.5% higher than in the US. In Poland, on the other hand, the long-term unemployment rate was 73.5% higher than in Sweden.

Table 16. Share of long-term unemployment^a in total unemployment in Sweden, the US, and Poland, 2018 (%)

Sweden	US	Poland
15.5	13.3	26.9

^a12 months or more.

Source: OECD [2019], Long-term unemployment rate (indicator). doi: 10.1787/76471ad5-en (accessed November 9, 2019).

4.3 Range of poverty

Compared to other countries, the level of poverty in Sweden and other Nordic countries is very low. In 2017 the poverty rate in Sweden was 9.3%, the 12th lowest among OECD countries. The other Nordic countries ranked eighth (Norway), fourth (Finland), third (Denmark) and first (the lowest poverty rate of all OECD countries), respectively (Iceland) (see Figure 7). Of note is the relatively high poverty rate in Sweden compared to the other Nordic countries.

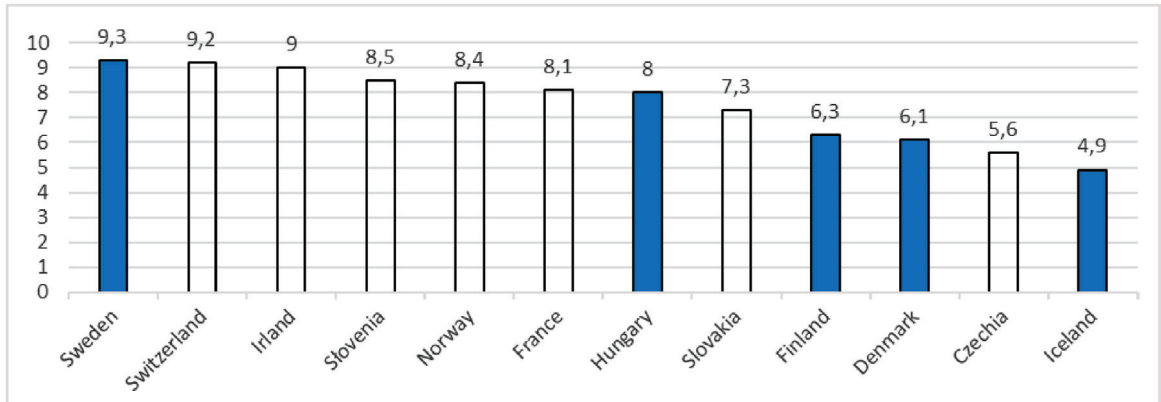


Figure 7. OECD countries with the lowest poverty rate (in %), end of 2017^a.

^aThe poverty rate is the percentage of inhabitants whose income is less than half the median income of all households.

Source: OECD [2021], Poverty rate (indicator). doi: 10.1787/0fe1315d-en (accessed February 17, 2021).

For data on the poverty rate in the Nordic countries, see also Table 17.

Table 17. Poverty rate in the Nordic countries (in %), 2017

Sweden	Norway	Finland	Denmark ^a	Iceland ^b
9.3	8.4	6.3	6.1	4.9

^a2016 data.

^b2015 data.

Source: OECD [2021], Poverty rate (indicator). doi: 10.1787/0fe1315d-en (accessed February 17, 2021).

Compared to Sweden and other Nordic countries, the poverty rate in the US was very high. In 2017, it was 17.8%, almost twice as high (91.4%) as in Sweden (see Table 18). The poverty rate in Poland was only 3.2% higher than in Sweden and amounted to 9.6%.

Table 18. Poverty rate in Sweden, US, and Poland (%), 2017

Sweden	US	Poland
9.3	17.8	9.6

Source: OECD [2021], Poverty rate (indicator). doi: 10.1787/0fe1315d-en (accessed February 17, 2021).

4.4 Equal opportunities

The level of intergenerational mobility of earnings in different countries is an approximate indicator of the intensity of the process of “inheritance” of poverty and wealth in society, which runs counter to the ideal of “equal opportunities.” It is about the transmission of income inequality from parents to children [Corak, 2013b, p. 80 – 82].

The data in Table 19 indicates that, at the beginning of the 21st century, intergenerational earnings mobility in the Nordic countries was high (compared to the other 18 countries analyzed by Corak). However, the much lower intergenerational earnings mobility in Sweden is noticeable compared to other countries in the region. Iceland has not been included due to the lack of data.

Table 19. Intergenerational mobility of earnings in Sweden and other Nordic countries^a

Sweden	Denmark	Norway	Finland	Iceland
0.27	0.15	0.17	0.18	n.d.a.

^aThe table shows the elasticities of sons’ earnings compared to those of fathers. For example, a coefficient level of 0.3 means that a 100% change in fathers’ earnings is accompanied by a 30% change in sons’ earnings. A *smaller* coefficient of elasticity thus means *greater* intergenerational mobility of earnings.

Source: Corak [2013a] (after: Corak [2016]).

In turn, the information in Table 20 documents Sweden’s significant advantage over the US in terms of the level of intergenerational mobility of earnings at the beginning of the 21st century. There are no relevant data for Poland.

Table 20. Intergenerational mobility of earnings in Sweden and the US

Sweden	US	Poland
0.27	0.470	n.d.a.

Source: Corak [2013a] (after: Corak [2016]).

5 Conclusion

The analysis conducted reveals that at the beginning of the 21st century Sweden (and other Nordic countries) managed to achieve some of the best economic results in the world. This applies both (1) to objective opportunities for the inhabitants of these countries to use their own development potential and (2) to the level of their subjective life satisfaction. The achievements of Sweden (and the other Nordic countries) in the field of technological innovation are impressive.

At the same time, the Swedes (and other Nordics) have successfully reduced the scale of social inequalities and ensured equal opportunities for all citizens. This is evidenced by the low income disparity, low unemployment, and low poverty rate in these countries. It is noticeable that Sweden seems to be

lagging somewhat behind the other Nordic countries in these respects. Income disparity, poverty rate, and above all intergenerational earnings elasticity are higher in Sweden than in other countries in the region.

Sweden and the other Nordic countries are superior to the US both in terms of efficiency and equity, which concerns innovation, income disparity, poverty, and equal opportunities in particular. Poland, on the other hand, lags very far behind Sweden and other Nordic countries, as well as the US, in terms of efficiency, as is exemplified by the relatively low GDP per capita and very low innovation in Poland. In terms of equity, however, Poland loses to Sweden but wins to the US (in the absence of data on intergenerational earnings elasticities in Poland). In favor of the US – compared to Sweden and Poland – are only the relatively low average and long-term unemployment.

In conclusion, unlike the US and – especially – Poland, Sweden, and other Nordic countries have successfully reconciled the often conflicting ideals of efficiency and equity. Very few other countries in the world can boast of such achievements.

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