



Observatory
on national
policies
to combat
social exclusion

DENMARK



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Observatory on Policies to Combat Social Exclusion

SOCIAL EXCLUSION IN DENMARK

Consolidated Report 1990 – 1992

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Introduction

Early in 1990, the Commission established an observatory in order to study the measures taken by the member states to combat social exclusion within the framework of the Resolution of The Council of Ministers on Combating Social Exclusion. The implementation of this initiative requires a regular collection of information about policies to combat or to prevent social exclusion in each of the Member States and a presentation of data in a standardized form.

The present report consolidates the reports that have been produced up till now under the direction of the Danish expert participating in the observatory (November 1992):

1. The first annual report on social exclusion in Denmark (Abrahamson, P, Hansen, F.K., and Hansen, H., November 1990)
2. The second annual report on social exclusion in Denmark (Hansen, F.K, January 1992)
3. The special report on social services in Denmark (Hansen, F.K., Hansen, H., and Olsen, C.B., May 1992)

As mentioned in the second annual report, two committees – one consisting of representatives of the political parties and another consisting of experts and labour market organizations (The Zeuthen-committee) – and a Social Commission were at that time working to develop new initiatives for the social and labour market policy. The two committees finished their work in mid-1992 and the Social Commission finished its first report in July and a second in November. Their work led to new legislation and to new initiatives concerning activation and education, which will be mentioned in this report. That is why this consolidated report for Denmark refers to the period 1990–92.

The structure of the present report is as follows. Chapter 1 deals with the concept of social exclusion. Chapter 2 presents some key concepts to guide the interpretation of the Danish welfare system and describes the actors in the Danish welfare state. Chapter 3 presents data on dimensions of disadvantage in Denmark and in chapter 4 the dimension of social exclusion in Denmark in form of marginalization, exclusion and poverty are discussed. Together these two chapters provide the background for chapter 5, where the focus is on policies and innovation actions.

Finn Kenneth Hansen, November 1992

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1 Social Exclusion

1.1 What is social exclusion

The concept of "social exclusion" is neither clear nor unambiguous. In the Observatory on Social Exclusion the concept is primarily seen in relation to social rights. By investigating the social rights of the citizen concerning employment, housing, health etc, the observatory focuses on the efficiency of national policies as regards to enabling citizens to secure these rights and by which barriers and processes people are excluded from these rights.

Secondly it is evident that when the citizens are unable to secure their social rights, they will tend to suffer processes of generalized and persisting disadvantage and their social and occupational participation will be undermined. In this respect social exclusion is seen in relation to multiple, persisting and cumulative disadvantage. Social exclusion refers to patterns and processes of generalised disadvantage as regards to education, training, employment, housing, financial resources etc. (Room, 1991).

In this respect the most obvious points of reference in the scientific literature include Townsend's work on poverty and deprivation. Within this literature, one of the principal points of debate has been the identification of discontinuities in the distribution of disadvantage which separate one sub-group of the population from the mainstream. This scientific debate has been of particular interest for the work of the observatory, highlighting as it does the ways in which inadequate resources and the denial of access to social rights can involve processes of separation from the normal living patterns of the mass of the population. (Room, 1991).

1.2 Social exclusion in Denmark.

The concept of social exclusion still has no precise theoretical content in Denmark and until now it has not played any role in the debate about the less privileged groups in Denmark. Several concepts have been used to characterize the less privileged groups in the scientific as well as in the political debate, such as low-income groups, deprived groups, etc.

In the 1980s the problems of the less privileged groups within the context of social exclusion has mainly been seen in relation to labour market exclusion and poverty. Concepts such as marginalization, exclusion and poverty have been the key words in the debate.

In the Danish debate, the concepts "marginalized" and "excluded" refer to problems of longer duration in regard the participation of individuals/-

families on the labour market. To be marginalized means that the individual has either been entirely without work or repeatedly had periods without work over a relatively long period of time, without, however, leaving the labour market. To be excluded means to be permanently outside the labour market, with little chance of returning.

To be marginalized or excluded from the labour market is not the same as being unemployed for a longer period of time or even permanently unemployed. Marginalization and exclusion include all circumstances which cause lasting problems in regard to the labour market, such as sickness, fatigue, unemployment etc. (Hansen & Mærkedahl, 1987).

There is no official Danish definition of poverty, and therefore the official statistics in Denmark do not operate with a poverty line. During the 1980s, however, there was a great deal of interest in the poverty question, and in this connection, a series of comprehensive poverty studies was made.

The concepts "poor and poverty", have in the debate, inspired by Townsend's work on deprivation, been applied to persons and families and their material resources, whether they are measured in money terms or in any other way. In this perspective, poverty has been seen as the lack of possibilities to fulfil the necessary material and social needs, thus excluding people from a normal life style and way of living.

Persons who are marginalized can in principle be differentiated from persons who are excluded from the labour market, while an overlap can exist between persons and families who are either marginalized or excluded and are poor. On the other hand, there are persons and families who are poor due to low wages, but are in no way marginalized or excluded from the labour market.

In the scientific and also in the political debate on poverty there is a distinction between absolute and relative poverty characteristics. (Hansen, F.K., 1987). Absolute poverty refers to persons with almost no material possessions, who are often homeless, who suffer psychological disorders or are in bad physical conditions due to misuse over a longer period of time. Persons in deep social, economic and cultural need, who find it difficult to adjust to ordinary life.

Relative poverty applies to people who are integrated into society but where this integration is very weak. They are often excluded from the labour market, and due to lack of economic resources they are cut off from the goods and activities, which it is generally acknowledged, should be available to every member of the Danish society. Many live of social assistance, unemployment benefit or early retirement pension and many are single

parents or couples (with or without children) with only one salary or a low income.

In summer 1992 The National Social Research Institute presented a report called "The Socially Excluded". (Friedberg, 1992). This report deals with recent findings and other documented knowledge concerning the problems of socially excluded groups, the backgrounds of those problems, and the experience gained in dealing with these groups.

In this report the socially excluded groups comprise persons who have gone through a process of exclusion or who from the outset have been excluded from the labour market, their family and other social networks, with social and/or personal problems on a scale requiring some kind of help or assistance.

The socially excluded are defined as those who are more than briefly incapable, on the one hand, of providing for themselves in a manner acceptable to society or the individual himself and, on the other, of taking care of themselves in the manner described.

The visibility of the socially excluded in the daily life contribute to the recognition of their evident need for professional assistance. Some of the mentally ill, alcoholics and drug abusers who attract attention and give occasional offence in the city squares and parks or in shopping centres. Others remain isolated in their home and other places and are thus less visible.

Even though this new report deals with the concept "the socially excluded" it has not until recently played a significant role in the debate, because the discussion of the concept has been confused in relation to the framework of the poverty-concepts. The socially excluded as they are defined in the report from the National Institute of Social Research comprise precisely the same groups delineated by the concept of absolute poverty.

1.3 Social exclusion in this report

Within the framework of "social exclusion" as formulated and used by the Observatory of Social Exclusion, the concept "the socially excluded" in the latest Danish report reflect a more narrow view to the problem of disadvantage groups and social disintegration. In the Danish report the socially excluded only comprise the most vulnerable groups in the society.

In this consolidated report based on the annual reports to the Observatory of Social Exclusion, "social exclusion" will be seen in a much broader perspec-

tive. Social exclusion will be seen in relation to marginalization, exclusion and poverty, reflecting the main topics in the Danish debate and within the framework of "social exclusion" as it is formulated in the Observatory and used in the Community debate.

In chapter 3 we will describe different dimensions of disadvantage in terms of economic conditions, education, employment, housing, etc. and in chapter 4 we will focus on cumulative disadvantage and exclusion by looking at the marginalized, the excluded and the poor in Denmark.

2 The Danish Welfare State

2.1 The Danish welfare state

The Danish welfare state resembles the stereotype of Scandinavian welfare models which is characterized by universal welfare rights, in the form of publicly organized and financed services, which the citizens are entitled to and independent of, for instance labour market performance.

Seen in a European context, the special feature in the development of the Danish welfare state is the strong emphasis on society's responsibility for solving social problems. As a consequence of this, the public sector has been given the primary role in the regulation and fulfilment of the demands for a satisfactory social welfare. The regulations are exercised in a decentralized system where by far the main tasks are performed by the municipalities. In comparison with other European countries the voluntary social organizations play a small, although important role especially regarding the poor and the socially disabled.

Historically, two main welfare components have developed within the Danish welfare state. The system of income protection and the system of social services.

There are no general schemes in the social protection system which guarantee minimum resources, instead certain schemes have been developed to secure citizens, who are unable to support themselves, e.g. the pension schemes, social security schemes, social subsidies (in the form of child allowances and housing benefits) and social assistance. The social protection system is characterized by nationalized agencies that are integrated into the governmental public sector and are financed primarily through general taxation. The right to achieve benefits is not based on previous occupation, income and contributions, but on citizenship or residence.

The model has found its clearest expression in the system of "basic old age pension" in the pension scheme. Deviations from the "pure version" are found, however, in the fields of unemployment insurance benefits, where the rights to achieve these are dependent upon previous employment and membership of an unemployment fund. Nevertheless the central government finances the majority of unemployment expenditures through general taxation.

However, elements in the social protection system are pointing in the direction of the achievement-performance model of social policy. Transfer systems dealing with old age and unemployment are bifurcated: the core groups on the labour market have a right to receive unemployment benefits

as a right, when certain qualifications are met, while marginalized group fall under the Social Assistance Act. Educated salaried employees often have a pension scheme negotiated between employers and the trade unions, which guarantees them a pension close to prior salary, while e.g., unskilled labour and house-wives will have to content themselves with the meagre payments of a state pension.

The Danish welfare state is characterized by a large public sector in areas of social policy, health and education and is distinguished by the large proportion the public expenses the social services constitute.

The increased emphasis on the social services was due to the changed social political aim that was recognized in the 1960s. The main aim of social policy was in this period defined as the prevention of the occurrence of fundamental social adjustment problems or loss of income and the active participation in solving the problems.

Those social political tendencies led to the Social Reform of the 1970s. The aims of the social reform were prevention, rehabilitation, security and well-being. The main intention of the reform was to secure a greater societal responsibility towards people with loss of income and also towards care for children, the elderly, the disabled etc. The means to this end was an administrative effectivization achieved by simplifying and concentrating the services in a decentralized structure – the so-called unified system. The principle was, that no matter their social problem, the clients only have to refer to one place in the local area. The clients were to present their needs and the social workers were to make a comprehensive assessment of what services and benefits could be offered to assist and support.

As a consequence of the Social Reform a very comprehensive social service system was established in Denmark. Characteristic of this system is:

- a large and broadly covering offer of social services;
- that the services, to a very high degree, are offered by public or publicly financed institutions;
- that the social services are financed, almost exclusively, by personal and commodity taxes.

2.2 The actors in the welfare state

The Danish welfare state has – especially since the 1960s – developed into, primarily, a public matter. Whether the actual organization within different

areas of the social policy is taking place within the realms of the trade union movement (e.g., unemployment insurance), employee/employer sponsored pension funds (e.g., merit-based old-age pension), or as local petty-bourgeois business (e.g., primary health care), the control, guidance, and to a large degree also the financing, is decided by government and parliament through legislation and administration of legislation and regulations.

Administration of labour is divided between central, regional and local government. The central government and parliament lays out the framework for social welfare in Denmark, while the administration, implementation and actual carrying out of social welfare provisions take on various forms within the different welfare components in the welfare state.

The predominant principle is that the central government decides the extent of and the rights to income transfers or benefits (the income transfers are governed by uniform governmental rules) and that the municipalities administer the social services. This is the case with all major areas of service e.g. day care for children, care of the elderly, counselling, preventive hygiene and technical aids for the disabled. Furthermore, a number of smaller tasks are administered by the counties e.g. resident institutions for children and adolescents and disabled grown-ups, rehabilitation centres and centres for technical aids.

In this respect, the public social services to a high extent are decentralized. The legal basis of the services is, almost exclusively, stipulated in the Social Assistance Act. This Act serves as an umbrella of the social area, but the Act, however, is characterized by being a framework containing vague formulations on social services. The standard formulation in the Act is that the municipality or the county is obliged to provide the "necessary" or the "sufficient" number of places in day care and in nursing homes or that the municipality is obliged to establish a home help service. It is then largely up to the specific municipalities or counties to assess the necessary or sufficient number of places.

The liberty of local and regional authorities is in this way extensive with regards to detailed demands to the extent and nature of the social services and also extensive with regard to deciding in which way the social services should be carried out. Concurrent with this the municipalities and the counties also finance the main part of the social services.

Primary health care (local doctors and special clinics) functions on a market basis as petty-bourgeois businesses within a framework negotiated between the medical doctors' organization and the Ministry of Health. The services, however, are publicly financed, i.e. through taxes.

Secondary health services (hospitals and institutions) are operated by the counties, i.e., by regional public authority. These institutions are also tax-financed.

The private relief organizations in Denmark only take care of a small part of the social tasks, with the exception of the field of institutions where approximately one third of the day care and residential institutions and one fourth of all nursing homes being private or based on private foundations. Some of these institutions, however, have a contract with a municipality or a county. This is, for instance, the case with the majority of day care and residential institutions. They function almost exclusively on the basis of public funding and are in reality a part of the public social policy. Other institutions function to a high degree on the basis of their own means, including collected funds thus constituting a supplement to the public social system.

Historically, the private relief organizations have taken care of social tasks in almost all fields, and today we also see private relief organizations working with children and adolescents, families, disabled people, drug addicts, the socially deprived and the poor. In all fields the private relief organizations function as a smaller supplement to the comprehensive system of social services in the public sector. This supplement can, however be extremely important for those groups of people who receive help, care and counselling. Especially in relation to the excluded groups – the poor, the socially deprived and the drug addicts – the efforts of the private relief organisations play an important role.

2.3 The political and the scientific debate about the welfare state

In relation to the development of welfare in Denmark, at least, two issues are important to emphasize. Firstly, quite strong tendencies towards a dualization of welfare provision within Danish society have evolved, and, secondly, poverty has reemerged as a serious societal phenomenon after having been out of view in the period of time stretching from the 1950s to the 1980s.

The current debate on the immediate future of the Danish welfare state appears to emphasize this situation of dualization.

Discussions of dualized or bifurcated welfare are well known internationally with reference to e.g., the United Kingdom – the "Two Nations" – and the United States. Perhaps more surprisingly, this discussion is, unfortunately, becoming more and more relevant for the development of the "Scandinavian

Model". Furthermore, in the perspective of harmonization, or concertation as the Commission prefers to call it¹ (Select Committee on the European Communities 1987: 5), within EEC's internal market it is specially important to stress the consequences of relating welfare provisions to labour market performance, since this structuring seems, pretty much, to be the case in many European countries.

Already ten years ago leaders of the Social Democratic coined the phrase "the development of an A-team and a B-team within Danish society"; i.e. a differentiation of the population in a polarized and dualized manner. The leader of the Social Democratic party talked about "Over and Under Denmark" referring to the same tendencies.

Others see the development as a way towards a "Two-Third Society" in Denmark. Especially the unions organizing the unskilled and semi-skilled workers are seriously worried about the development as it has taken place during the last decade.

The reason for this is very high rate of unemployment during many years followed by a marginalization and an exclusion from the labour market. The inequality between the employed groups and the unemployed groups has been widened significant in the 1980s. Almost 700.000 persons in the productive age groups – approx. 20 % of all 18–66 years old – receive cash benefits for half a year or more every year, in the form of unemployment benefit, sickness benefit, social assistance, early retirement pension or early retirement pay.

Although the large majority of the political parties point out the need for a general employment policy based on growth of the economy, the increased unemployment has caused growing doubt that a policy such as this can in itself solve these large problems.

The more theoretical debate on unemployment reflects great ideological differences. The liberal economists are of the opinion that a certain amount of unemployment – balance point unemployment – is necessary in order to hold price and wage increases at a modest level, while the social democratic economists believe that the emphasis must be on growth of the economy

¹ The concept **concertation** is an euphemism for **harmonization** that appears less drastic, as indicated in the quotation below:

...A majority of member states indicated their opposition to the principle of harmonizing current social security schemes. The Commission is therefore keen not to propose harmonization as a Community objective. Instead the term 'concertation' is used... (Select Committee... 1987: 5).

through business policies, education and public employment initiatives. Leftwing economists support the view that increases in production due to technological developments cause smaller and smaller increases in employment, and therefore the emphasis must be on a better distribution of work and an expansion of the concept of work in order to avoid marginalization and exclusion.

In spite of these disagreements the code words in the political debate are activation and education. The right wing government presented its plan for "Activization and Education" in Spring 1990 and shortly thereafter, the large social democratic opposition party presented its plan "Everybody Active". Both plans work within the time horizon of the mid-1990's. They both give priority to efforts for the young and for further education and a change in social and labour market policy from being passive to being active.

During the past year a number of initiatives have been taken in the social and labour market policy area, combined with proposals and initiatives for change within Danish welfare society.

The change in the labour market and social policy has led to new legislative initiatives and experiments in new policy methods through local projects. The important trend is the new efforts to "activate" unemployed and other marginalised groups. These efforts have primarily manifested themselves at a local level, but are being supported by more national and transnational experimental and development programmes, as well as by the latest "Activization Agreement", of the Danish parliament which come into force in June 1992. The new activization efforts are increasingly being developed in conjunction with the many local community partners. The most important new activization initiatives and efforts are discussed in Chapter 5.

The increased number of persons receiving benefits have at the same time led to a growing demand for reformation within the national social security system (unemployment benefit, early retirement pension, social assistance etc.) The discussion concerns on the one hand the budget and on the other hand the financing of e.g. unemployment benefits. The discussion concerning the financing of unemployment benefit and employment policies has particularly been intensified which has resulted in the formation of experts panel and commissions. The principle of universal tax-financed social benefits, which has been one of the cornerstones in the Danish/Scandinavian welfare model, is being seriously challenged. The demands for a restructuring of the social security system is often coupled with demands for greater wage differentiations on the labour market.

There is a general agreement that new and more flexible ways of solutions must be found in the social policy, including a recasting of the public and private actors.

In the last few years the development of the social services has gone in the direction of reducing the number of institutions, for instance for the elderly, or in the direction of more varied and less institutionalized solutions, for instance in relation to day care and residential care for children and adolescents.

This development is a part of the social reorganization which to a higher degree has implied that, among other things, the citizens' own social networks have been involved in the delivery of the social services, that the private and voluntary relief organizations have been given a more important part, and that a large number of social development projects have been supported by State fund. Pilot schemes and development projects play a major role as a method to create reorganization and renewal.

The key-words in the development strategy of the Danish welfare state are more activation, decentralization, deinstitutionalization, de-bureaucratization and local community development. These key-words form the basis for the debate on new political initiatives for the labour market and social policy, with regards to cash benefits, the financing of the unemployment insurance system, mechanisms of entry into the labour market, activation initiatives especially for the young, education for the young and adult education, barriers in the welfare system between the state and local funds and the systems of the voluntary sector.

Although there seems to be consensus regarding the need for a new "social policy" to solve the problems of marginalization and exclusion, there are still big contradictions and conflicts primarily due to different views on the welfare state.

In general terms the theoretical and political debate can be described in the following way:

At one end of the scale the problem of marginalization and exclusion is seen basically as a problem of the welfare state having been "too generous" and thus having destroyed the economic incentives to provide an active effort on the labour market. The strategy can be termed "a market conforming strategy" e.g. a less "generous" welfare state and a greater wage differentiation on the labour market.

At the other end of the scale is an interpretation that the growing problems is due to question of whether the labour market, the welfare state and other

institutions in society structurally produce and reproduce marginalization and exclusion of certain groups within the population. The strategy here becomes a "welfare conforming strategy" e.g. formulated as a question of how the economic and institutional organization of society can be rearranged so that a realization of the goal of social citizenship receives optimal conditions. (Andersen & Larsen, 1992)

2.4 The political and scientific debate on poverty

Since the end of the 1950s and until the beginning of the 1980s the issue of poverty was absent in Danish political as well as social scientific debate. During the 1980s there has been a great deal of interest in the poverty question. Poverty has had a prominent place on the political scene.

Generally the political debate concerning poverty has been characterized as consisting of two different views: On the one hand there is an awareness and a growing concern with regard to the development of relative poverty in Denmark seen in relation to long-term public support and the labour market exclusion. On the other hand the Government – a coalition of Conservatives and Liberals – and the political parties focuses on the increasing absolute poverty (the homeless, street kids, addicts and the mentally ill). In this respect the problem of poverty is to minimize the number of people in total exclusion.

Parallel to the political debate the scientific discussion on poverty can be summarized in two tendencies: An interest in defining the concept of poverty and finding out who is unable to cope with the society and an interest in estimating the number of the poor people and accordingly describing increase or decrease.

Even if there are different conceptions of what it means not to be able to cope with the society the main problem of poverty research to-day is not disagreements as to the conception of poverty. Most researchers share a common conception of poverty: poverty is different from inequality and its essence is the lack of material resources, whether measured in money terms or any other way. Finally, they agree that at least two poverty concepts are necessary, one for "existence minimum" and one for the phenomenon, which can be described as "excluded from the ordinary way of life". (Hansen, E.J., 1990).

The problem is rather of measuring the extent of poverty. From the different studies the extent of poverty in Denmark varies from 2% to 15–20 % of the population according to the approach used. In the various studies of poverty, mainly two different approaches have been used. One, more traditionally,

emphasizes the economic situation of the individual and the family and the other in accordance with the number and the kind of unfulfilled needs and deprivation of the individual and the family.

One of the first studies in the 1980s concentrated on the poorest segments of the population. In this "The Poorest in Denmark" the author writes:

No people directly die of hunger in Denmark today, but people do starve to a smaller or larger degree. There are people who do not own other clothes than what they are wearing. There are people who are homeless and who sleep in the street, in cellars or in doorways. There are people who are lonely, who absolutely do not know anybody, and whom nobody knows. There are people who are seriously mentally ill. There are people who are physically broken down by long-term alcohol or drug abuse. (Hansen et al., 1987).

No statistical data exist showing the amount of people living under conditions as described in the quotation above. But in the same book an estimate is given: "...it must be estimated that the number of people with absolute poverty features (the group of people characterized above, p.a.) consisted of about 30.000 people in 1986." (Hansen et al., 1987).

This report gave rise to a political debate. In recognition of the fact that a minority of the population was living under these conditions, the government established a "poverty fund" in 1987. The money in this fund is given to voluntary social work carried out by private organizations, associations and groups when this voluntary social work directly, in the form of preventative measures, activities and various forms of support, benefits members of the society who are in absolute poverty.

Awareness of absolute poverty has increased and in June 1992 absolute poverty was discussed by the "Social Committee" of the Danish Parliament taking as its starting point a new report from The Danish national Institute of Social Research. This report "The Socially Excluded" estimates the group in absolute poverty to be 40.000; approximately 1 % of the population.

The group in absolute poverty has become more visible in Denmark and policies to combat absolute poverty have been intensified. The situation of the most vulnerable groups appears to have deteriorated and there is a growing number of problems in relation to the "multi-problem" groups.

Policies and programmes directed against poverty has undergone significant change during the last few years. The private relief organizations are intended to have a somewhat larger role and there is a growing need to coordinate the efforts of the different actors. A key question is which tasks can

be performed by the private organizations and which tasks shall remain with the public sector.

For the time being the Ministry of Social affairs administers 3 funds to support local development: The Active Fund aiming at activating the long-term unemployed between 20–30 years (DKK 25 million), The Fund for the Development of Voluntary Social Work (DKK 50 million) and a Fund to integrate mentally ill persons in their local community (DKK 15 million). The criteria for receiving funds helps to ensure that the money actually reaches the most vulnerable and excluded groups.

3 Dimensions of Disadvantage

3.1 Economic conditions

3.1.1 Income development and income differences

In the period 1979–1984 almost all persons and families had a fall in real disposable income. In the following period 1984–1988, however, there has been a rise in real disposable income for almost all family types except for those families, where one of the family members was unemployed. (See table 3.1).

Table 3.1: Total net household incomes after tax for single persons and couples. (1980 – DKK) 1984, 1986 and 1988

	Lower quartile margin	Median	Upper quartile margin	Gini- coefficient
– in thousand DKK (1980) –				
Single men				
1984	37	51	65	0,26
1986	37	51	65	0,25
1987	38	51	67	0,26
Single women				
1984	35	46	62	0,23
1986	35	46	61	0,22
1988	37	47	64	0,22
Couples				
1984	78	106	132	0,23
1986	79	107	133	0,23
1988	82	111	140	0,23

Source: *Living Conditions in Denmark. Compendium of Statistics, 1992.*

In the period 1984–1988, families with children experienced a more favourable development in income than those without children. (F.K. Hansen 1990). This more favourable development for families with children is largely connected with the changes in the area of family allowance.

Within the 10-year period, 1974–1984, fewer and fewer families with children received ordinary family allowance because this benefit depended on the family income; at the same time, the value in terms of real income declined. Then, for the period 1984–1986, it was decided that all children aged 0–10 should receive a "children's check". In 1987, policy in this area

was changed and all families with children aged 0–18 received a general family allowance, which replaced the "children's check" and the ordinary family allowance and had a much higher value in terms of real income. The ordinary family allowance was retained, however, as an extra support to single families with children.

The Ministry of Economy regularly carries out calculations showing the development of real disposable income for a panel of family types. These figures show income development for family types with a constant set of characteristics, i.e. the family types for each year are in the same situation. The family type figures will therefore always be simplified examples compared to the diversity of reality, but they are useful to indicate the tendencies in families' economic conditions, and over time illuminate similarities and differences in the groups the family types are supposed to represent.

The latest calculations are related to 1984 and are calculated in 1985 prices, and thus reveal the development in real disposable income. In the earlier report, the figures had been showed for the family types in the period 1979–1984. (Abrahamson, 1990). The following figures deal with the period 1988–92 (see table 3.2).

The **employed families**, after experiencing a fall in real disposable income from 1988 to 1990, experienced a rise from 1990 to 1992. This increase has been greater for home owners than for tenants, and greater for families with children than for those without. In 1990, the general family allowance for children aged 0–3 was increased in relation to children over 3, and in 1991, the allowance was increased again, this time for children aged 0–7. This has contributed to an increase in income for families with small children.

Recipients of early retirement pay and unemployed without children experienced a fall in real disposable income for the whole period. Singles, partly unemployed with children, however, experienced a rise due to the increased family allowance.

Retired couples experienced a rise in real disposable income for the whole period, while single pensioners with only a social pension experienced a decrease for the period 1990–92.

Table 3.2: The development in real disposable income for different types of families. 1988-1992. Index (1984=100)

	1988	1989	1990	1991	1992
Living in rented dwellings:					
Couples, blue collar workers, 1 child. ¹	103.6	101.6	101.3	102.3	103.4
Couples, blue collar workers, 2 children. ¹	106.0	104.0	104.1	105.5	106.4
Couples, salaried employees, 1 child. ¹	107.7	107.0	107.9	108.6	109.0
Singles, blue collar workers,	103.0	100.6	99.9	100.7	100.9
Singles, blue collar workers, partly unemp, 1 child	102.0	101.4	101.8	102.6	103.3
Singles, blue collar workers, partly unemp.	101.4	100.3	100.1	99.7	99.2
Singles, early retirement pay	93.5	93.9	93.3	92.2	90.8
Couples, retired persons	103.8	106.5	107.2	109.7	110.4
Singles, retired	106.0	108.0	108.0	107.3	106.0
Owners of dwelling:					
Couples, blue collar workers, 1 child. ¹	100.3	100.5	101.9	105.2	107.7
Couples salaried employees, 1 child. ¹	103.4	104.5	106.8	109.3	111.2

¹ two head of income

Source: Økonomiministeriet. Lovmodellen: Familietypeberegninger, november 1991

3.1.2 Income distribution

The available information on income distribution indicates that gross income distribution in the 1980s has been almost unchanged.

Table 3.3: Maximum equalization percentage for gross income per family. 1980-1986

	1980	1986
Singles	30,0	29,7
Married couples	19,5	19,7
All families	32,4	31,7

Source: Danmarks Statistik: Indkomster og formuer 1985 og 1986. Copenhagen 1989.

A recent calculation of the Gini-coefficient for disposable income per family unit (weighted for family composition) in the 1980s shows that there has been a levelling during the period 1981-1986, but in 1987 there has been increased inequality. It is unknown whether this latest development has continued in 1988 and 1989.

Table 3.4: Gini-coefficients for disposable income per family unit. 1981-1987

	Gini-coefficient
1981	0,227
1982	0,220
1983	0,216
1984	0,205
1985	0,201
1986	0,200
1987	0,209

Source: Olaf Ingerslev: Forløbsanalyser af indkomstudvikling og indkomstfordeling. Samfundsøkonomen 1990:6.

3.1.3 Income differences

If we look at disposable incomes for 1988, most families with children have a better income situation than other families. This applies both to single families with children compared to singles without, and to couples with children compared to couples without, in about the same age group (see tables 3.5 and 3.6).

However, there is a marked income difference both among families with children and among families without. This applies both to singles and couples. Some families with children have relatively large disposable incomes while others have relatively small disposable incomes.

Table 3.5: Singles with different disposable income for different types of families. 1988

	Disposable income (DKK)						Total	Number of singles
	Under 50.000	50.000- 100.000	100.000- 150.000	150.000- 200.000	200.000- 250.000	250.000 and more		
	%	%	%	%	%	%		
Singles with children:								
Youngest child: 0-6 years	4	35	51	8	2	1	101	38,856
Youngest child: 7-17 years	2	15	49	22	8	5	101	72,089
Youngest child: 17-25 years	1	4	25	35	21	13	99	22,335
Singles without children:								
18-19 years	75	23	1	0	0	0	99	45,926
20-49 years	16	42	31	8	2	2	101	500,532
50-66 years	7	57	27	6	2	2	101	185,445
67 years or more	13	77	8	1	0	0	99	351,564
All singles	15	51	24	7	2	2	101	1,216,747

Source: Hansen, F.K., 1990: *Børnefamiliernes økonomi*.

Table 3.6: Couples with different disposable income for different types of families. 1988

Couple	Disposable income (DKK)								Total	Number of couples
	Under 100.000	100.000- 150.000	150.000- 200.000	200.000- 250.000	250.000- 300.000	300.000- 350.000	350.000- 400.000	400.000 and more		
	%	%	%	%	%	%	%	%		
Couples with children:										
Youngest child: 0-6 years	2	4	15	32	27	11	4	5	100	255,356
Youngest child: 7-17 years	1	3	10	24	27	17	8	11	101	301,121
Young. child: 17-25 years	1	2	8	18	25	21	12	14	101	86,028
Couples* without children:										
18-19 years	20	40	31	8	1	0	0	0	100	9,036
20-49 years	4	11	24	30	17	7	3	3	99	224,919
50-66 years	11	29	27	18	8	3	2	3	101	277,192
67 years or more	48	34	12	4	1	1	0	1	101	148,659
All couples	9	14	17	23	18	9	4	6	100	1,302,311

* Women's age

Source: Hansen, F.K., 1990: *Børnefamiliernes økonomi*.

3.1.4 Public cash benefits and their effect on income distribution

Differences between families are clearly expressed in the composition of incomes and dependence on public cash benefits. A large proportion of families with children receive, in addition to the general family allowance, public cash benefits each year in the form of unemployment insurance benefits, sickness benefits, social assistance and rent subsidy. In the figures for families receiving public cash benefits, single families with small children clearly stand out compared to other families. This is the largest group receiving unemployment insurance benefits, sickness benefits, social assistance and rent subsidy in 1988. For example, 40% of the single families

with small children received social assistance and 60% received rent subsidy. There is also a greater share of couples with small children than other couples who receive public cash benefits. For example, 45% of couples with small children received unemployment benefits in 1988 compared with 27% of couples with school children and 37% of couples without children (where the woman is between the ages of 20 and 49). See table 3.7.

Table 3.7: Percentage of singles and couples, who received different benefits in cash. For different types of families. 1984 and 1988.

	Percentage, who receive:											
	Unemployment benefits		Sickness benefits		Social benefits		Rent subsidy		Family allowance		Social security pension	
	1984	1988	1984	1988	1984	1988	1984	1988	1984	1988	1984	1988
	%	%	%	%	%	%	%	%	%	%	%	%
Singles with children:												
Youngest child: 0-6 years	32	34	17	21	44	40	40	59	95	96	2	2
Youngest child: 7-17 years	24	23	10	11	23	19	43	45	94	97	6	7
Youngest child: 18-25 years	32	29	14	16	28	26	19	20	20	26	19	15
Singles without children (20-49 years)	26	22	8	9	15	15	6	6	1	1	1	6
Couples with children:												
Youngest child: 0-6 years	45	45	27	35	9	10	7	7	88	97	1	1
Youngest child: 7-17 years	31	29	12	15	7	6	4	4	78	100	5	5
Youngest child: 18-25 years	39	36	16	19	16	14	3	2	9	31	14	13
Couples without children (20-49 years*)	42	37	13	15	10	10	6	6	2	2	5	6

* Women's age

Source: Hansen, F.K., 1990: *Børnefamiliernes økonomi*

Cash benefits on the whole mean most for the families – with or without children – who have the lowest disposable incomes. For the one-fourth of single families with small children who have the lowest incomes, cash benefits thus comprise 75% of their total income, while for the one-fourth with the highest incomes, they comprise 21%. For the one-fourth of couples with small children with the lowest incomes, cash benefits comprise 31% of their total incomes, while for the one-fourth with the highest incomes, they comprise 5% (see table 3.8). The public income transfers thus level out the differences in the ability to consume among the families. Without public cash benefits, the differences in income, all other factors being equal, would be greater.

Table 3.8: Cash benefits in percentage of total income. Singles and couples placed in the disposable income distribution. 1984-1988.

	Cash benefits for families:					
	1. quartile			4. quartile		
	1984	1986	1988	1984	1986	1988
	percent of total income					
Singles with children:						
Youngest child: 0-6 years	69	67	74	16	15	21
Youngest child: 7-17 years	51	46	48	8	7	9
Youngest child: 18-25 years	34	29	35	7	5	4
Singles without children (20-49 years)	44	41	48	3	3	2
Couples with children:						
Youngest child: 0-6 years	26	24	31	4	4	5
Youngest child: 7-17 years	16	13	16	4	2	3
Youngest child: 18-25 years	20	17	18	4	3	2
Couples without children (20-49 years*)	26	23	26	3	2	2

* Women's age

Source: Hansen, F.K., 1990: *Børnefamiliernes økonomi*

The significance of cash benefits decreases sharply the higher income a family has, but there is no income group that does not receive cash benefits. This is because there are types of benefits which are not specifically directed toward the lowest income groups, but are distributed among all income groups. This applies to the general family allowance, but also to unemployment insurance and sickness benefits.

The National Association of Municipalities has recently examined the effect of public cash benefits (exclusive old age pension) on income distribution. For 1989, this study shows that the cash benefits mainly are distributed to the lowest by income groups.

Table 3.9: The distribution of benefits in cash to household after household-income. 1989

Household income (DKK)	Pct. of households	Benefits in cash
- 49,000	20	30 mio. kr.
40,000 - 206,000	30	20 mio. kr.
206,000 - 375,000	30	13 mio. kr.
375,000 -	20	4 mio. kr.
all	100	67 mio. kr.

Source: *En undersøgelse af sammenhængen mellem husstandenes indkomster og udbetaling af sociale kontantydelse. Kommunernes Landsforening. Marts 1991.*

3.1.5 Cash available for families

From the income the individual family has for private consumption and savings – the disposable income – a portion is used for fixed expenses, e.g. housing, heat, telephone, union dues etc. This remaining income is often termed cash available.

Cash available is now often used in Danish statistics on the economic situation of families. The assumption is that, in addition to taxes, the fixed monthly expenses constitute a portion of a family's income which it cannot dispose over, daily or in the short range.

The cash available is therefore very close to the amount the individual family has left for daily consumption for necessities such as food, clothing, shoes, recreation and possible savings. In the analysis, the number of family members is taken into consideration by considering cash available per person. (Hansen, F.K., 1990).

The analysis shows that the share having very little cash available per person per month (less than 1500 DKK) is twice as large among singles with children than among couples with children – 16% compared to 8%. Furthermore, singles with two or more children have twice as large a share with little cash available than singles with one child. At the same time, the share in the category of the highest amount of cash available is twice as large among singles with several children compared to singles with one child. For couples with children, distribution according to amount of cash available is largely the same, regardless of the number of children.

Table 3.10: Singles and couples by the amount of cash available per person unit per month (DKK). 1988.

	The calculated cash available per person unit per month** (DKK)				Total	N
	under 1.500	1.500-3.000	3.000-4.500	4.500 or more		
	%	%	%	%	%	
Singles with children	16	38	32	15	101	180
1 child	11	38	43	9	101	110
2 or more children	22	39	19	20	100	70
Singles without children*	11	31	23	36	101	161
Couples with children	8	27	31	34	100	572
1 child	7	24	29	39	99	288
2 children	8	28	33	31	100	259
3 or more children	8	27	30	34	99	85
Couples without children*	11	6	28	56	101	62

* The person interviewed is between 24 and 50 years.

** Person no. 1 weight 1, person no. 2 weight 0.7 and all the other weight 0.5.

Ann.: Based on the number of persons, who has been weighted, so they are representative for all families (2.4 mill in 1988).

Source: Hansen, F.K., 1990: *Børnefamiliernes økonomi*.

3.1.6 Cash available and deprivation

The amount of cash available plays a decisive roll in regard to what extent the individual families are deprived or not. In a study by the National Institute for Social Research on material and social deprivation in the population (Hansen, F.K., 1990), a clear connection is shown between the amount of a family's cash available per person and the absence of various daily activities and transactions. Examples are purchase of household goods, necessary medicine, heating the home, paying bills on time, going to the hairdresser, taking courses, going on vacation outside the home, visiting family and friends far from the home, giving birthday presents etc.

An examination of the number of various forms of everyday deprivation for families with various amounts of cash available shows that a much larger share of families with little cash available (less than 1000 DKK per person per month) than families with much cash available (3000 DKK or more) suffer from at least one deprivation. Expressed in another way, about one-third of the families with little cash available have no deprivations, while this is the case for 90% of the families with much cash available.

For the relatively small share of the population with several deprivations – 8 or more – there is a clear pattern, because to a great degree it comprises families with relatively little cash available per person.

Table 3.11: Families by their number of deprivations. Separately stated after the amount of cash available per person per month (DKK), 1988

	Cash available per person per month						All
	Under 1.000	1.000– 1.250	1.250– 1.500	1.500– 2.000	2.000– 3.000	3.000 and more	
	%	%	%	%	%	%	%
n.n. deprivations	34	39	57	59	62	90	60
1–3 deprivations	21	24	21	23	24	6	19
4–5 deprivations	12	13	6	5	5	1	7
6–7 deprivations	7	9	6	6	4	1	5
8–9 deprivations	11	4	4	3	2	1	4
10–11 deprivations	5	6	2	2	2	0	3
12–13 deprivations	3	1	2	1	1	0	1
14 or more deprivations	6	3	1	1	1	0	2
Total	99	99	99	100	101	99	101
Number of persons interviewed	405	292	197	286	350	194	*2.061

* Incl. 347 not stated.

Source: Hansen, F.K., 1990: *Materielle og sociale afsavn i befolkningen*.

3.1.7 Duration of low income and deprivation

The investigation of material and social deprivation shows that it is not only the amount of cash available that plays a role in families' degree of deprivation. The duration of time with low income in relation to other families also plays a role. Examining families' income over a series of years – in this case 1982–88 – it is possible to define families with permanent low incomes due to their placement in the lowest one-fourth of the income distribution for comparative families during the whole period. And in reverse, families with a relatively high placement can be defined due to their placement in the upper one-fourth of the disposable income distribution for the whole period.

According to these characteristics, a far larger share are multi-deprived (more than four deprivations distributed among various daily activities) among families with permanent low incomes than among families that do not have permanent low incomes. The same picture can be seen for the share of families that have an unsatisfactory housing standard and few material goods. An unsatisfactory housing standard is defined as housing which does not fulfil the minimum requirements (i.e. lacks at least one of the following: separate kitchen, warm water, own toilet, own bath, central

heating, stove, refrigerator), or housing with more than one person per room. The category, few material goods, is defined as lack of at least one of the four following: radio, television, telephone, use of washing machine, and at the same time, lack of a car or means of recreation, such as summer cottage, boat, allotment garden or camping trailer.

Table 3.12: The percentage of families with multi-deprivation, with unsatisfactory housing standard and with few materials goods. Separately stated for families placed in the disposable income distribution. 1982-1988.

	Placed in the income distribution 1982-88.					All
	Permanent relative low	Almost permanent relative low	Relative low relative good	Almost permanent relative good	Permanent relative good	
	%	%	%	%	%	
Multi-deprivation	16	13	10	12	5	9
Unsatisfactory housing standard	36	27	16	18	10	16
Few material goods	18	24	20	18	8	14
Number of persons interviewed	222	361	379	444	400	*2.061

* Incl. 255 not stated.

Source: Hansen, F.K., 1990: *Materielle og sociale afsavn i befolkningen*.

Even though a strong connection is found between families' economic situation over time and the share of families that are deprived, there is no clear indication of a concentration of these conditions among families with permanent low incomes. The forms of deprivation described also exist among families with permanent good income placement. It can, however, be ascertained that the likelihood of these deprivations is clearly greater for families with permanent low income placement than for those with permanent good income placement.

3.1.8 Economic problems

In the investigation of material and social deprivation in Denmark, families were asked how they judged their own economic situation.

By far most of the families judged their economic situation to be good or very good. Only 15% considered their situation to be bad. More single persons than couples judged their situation to be bad. Among single persons, it was especially those with children who judged their economic situation to be bad. Thus, 45% of single persons with two or more children judged their economic situation to be bad.

Table 3.13: Evaluation of economic situation of the family, in different family types. Percent.

	Economic situation of the family:			Total
	Very good	Good	Bad	
Single persons without children	8	72	20	100
Single persons with 1 child	5	71	24	100
Single persons with 2 or more children	3	51	45	99
Couples without children	17	75	7	99
Couples with 1 child	11	73	16	100
Couples with 2 children	14	77	9	100
Couples with 3 or more children	4	84	12	100
Total	11	73	15	99

Note: The question was: How will You, all in all, describe the economic situation of Your family?

Source: Finn Kenneth Hansen: Materielle og sociale afsavn i befolkningen. SFI-rapport 90:4.

3.1.9 Patterns of consumption

Certain changes in consumption patterns still happen in Danish households, but they are not so marked as earlier. In the 1980s, the pattern of consumption has been relatively stable. The most important change has been that consumption of food products etc. continues to decline relatively. Housing consumption, which is a very large share of total consumption, had risen strongly in the 1970s, but has in fact declined during the period 1981–1987.

Table 3.14: Consumption in households analyzed by items of consumption. Percent. 1976–1987

	1976	1981	1987
Food, beverages and tobacco	24,3	22,2	20,1
Clothing etc.	6,1	5,3	5,6
Housing – all expenses	33,7	39,7	37,2
Transport etc.	16,7	14,1	16,1
Recreation, entertainment etc.	9,7	8,4	8,5
Other	9,5	10,3	12,5
Total	100,0	100,0	100,0

Source: Statistical Yearbook.

Differences in consumption patterns between different income groups show that households with low incomes use relatively more on food etc. and relatively less on transportation etc. than households with high incomes.

Table 3.15: Consumption in families with different gross incomes, analyzed by items of consumption. Percent. 1987

	- 100.000 kr.	100- 200.000 kr.	200- 300.000 kr.	300- 400.000 kr.	400.000 kr. or more	Total
Food, beverages, tobacco	25,6	22,9	20,2	18,5	17,7	20,1
Clothing etc.	5,7	5,4	5,3	5,3	6,2	5,6
Housing - all expenses	3,1	36,3	36,5	37,5	38,7	37,2
Transport etc.	10,8	13,4	17,0	18,1	17,4	16,1
Recreation etc.	10,5	8,9	8,3	8,2	7,7	8,5
Other	11,3	13,1	12,7	12,4	12,3	12,5
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: Statistical Yearbook.

On the other hand, there are only minor differences in consumption patterns between different family types. Single persons with children give the greatest difference, in that they use relatively more on food etc and relatively less on transportation than the other family types.

3.2 Education

During the 1980's, there was an improvement in the level of education in the Danish population - the general education as well as the vocational education. In 1976, 69% of the population aged 20-69 years, had at most nine years of general education, while in 1987 this was the case for 52% and in 1990 it was the case for 50%. In 1980, 49% of the population aged 20-60 years, had no vocational education, while in 1990 this was the case for 30%.

The 1980's has, however, not been characterized by the same big improvement in educational activity, as the 1970's. Still many young people do not proceed to vocational education, after passing upper secondary exam, and many young people do not finish their apprenticeship training, because of lack of training-places.

During the 1970s, there was a marked improvement in the level of general education in the Danish population. This was the result of more and more young people taking an upper secondary school exam. In 1970, 14% passed the upper secondary exam, while in 1980, 29% passed. During the 1980s, this trend stagnated. Thus, in 1985, 30% took an upper secondary exam.

3.2.1 Vocational education

There was a marked growth in vocational education during the 1970s. This development continued somewhat in the 1980s, but at a lower rate. The rise has been primarily due to the apprentice training programme, but a large percentage of young people have "stranded" after the first year because of a lack of on-the-job training placement.

The "remainder" group, which includes the young people who do not achieve a vocational education, has been reduced slowly and has at the same time changed character. There have been considerably fewer who have not had any education after finishing their basic school education, but at the same time, there has not been any similar rise in the percentage of those with an education, which gives vocational competence. This is due to the fact that many do not begin a higher education after receiving an upper secondary school exam, and many do not finish the apprentice training programme.

The group of young men and women, 25–29 years of age, with basic school education has only been reduced from 37% in 1980 to 15% in 1990. At the same time a big group of the young men and women, 25–29 years of age, with first part of vocational only or upper secondary courses only, do not get any vocational education. There is not only still many boys and girls, who leave basic school without vocational education, but a growing part leave first part of vocational and upper secondary courses without vocational education. There is therefore a tendency for the "remainder" group to continue to "remain", but on a higher general educational level (see table 3.16).

The population's vocational educational level has, however, clearly improved. In 1976, 43% of those from 20 to 69 years of age had no vocational education; in 1987, this was the case for only 33%. There are also more who have had longer vocational education (see table 3.17).

Table 3.16: Percentage of men and women without vocational education, men and women aged 25–29 years, who had left the school–education system with basic school education only and first part of vocational training only or upper secondary courses only

	25– 29 years old men		25 – 29 years old women	
	1980	1990	1980	1990
	- per cent -			
Basic school education only	31	14	42	16
First part of vocational only or upper secondary courses only	7	23	10	24

Source: Living Conditions in Denmark. Compendium of Statistics. 1992.

Table 3.17: Population aged 20–69 years, by level of vocational education. 1976–1987. Percent.

	1976	1987
No vocational education	43	33
Apprenticeship training	37	29
Short vocational education	11	21
Long vocational education	6	10
Other	3	7
Total	100	100

Source: Living Conditions in Denmark. Compendium of Statistics. 1988.

There is still an unequal distribution of education. In spite of the improvement in the level of education in the population, there is an education gap due to social differences (see table 3.18).

3.2.2 In-service education

The greatest increase in educational activity has taken place in the area of adult education and in-service education. During recent years, however, there has been a levelling off in this educational area, especially in general free-time education.

In 1987, 38% of the labour force reported that they had participated in in-service education relevant for their vocational qualifications. Salaried employees participated in in-service education much more often than workers. There are substantial differences between salaried employees in upper/middle levels and blue collar workers. 61% of the salaried employees in upper/middle levels participated in in-service training during one year, while this was only the case for 22% of blue collar workers.

Table 3.18: The educational level of persons born in 1966, by their socio-economic family background. 1989. Per cent

	Education without vocational competence	Under training or completed vocational education	Under or completed further/ advanced vocational education	Total
Self-employed in agriculture	33	46	21	100
Self-employed in other industries	30	47	23	100
Salaried employees, upper level	21	32	47	100
Salaried employees, intermediate level	28	43	29	100
Salaried employees, lower level	30	50	20	100
Skilled manual workers	33	53	14	100
Unskilled manual workers	47	45	8	100
Not employed	63	28	9	100
Total	35	44	21	100

Source: Living Conditions in Denmark. Compendium of Statistics. 1992.

At last it should be mentioned that 31% of the adult population participate in education during their leisure time, in a period of one year (all kinds of education). Women participate more often during their education in the leisure time, than men.

3.3 Employment conditions

3.3.1 Employment

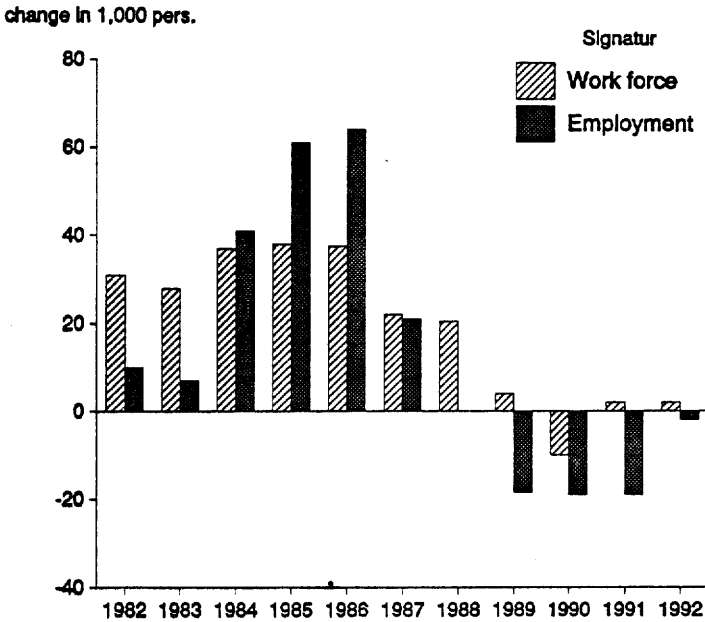
Since 1987, Denmark has had yearly growth rates of less than 2% (BFI growth). Seen in a 30-year perspective, this is the longest period with so low a growth rate. This low-growth period should be seen in relation to the fact that there has also been a long-term international prosperity that has favoured Danish exports.

The most important consequence of this period of low growth is a notable fall in employment, which has decreased directly since 1987 with a loss of 60,000 jobs during the period 1987-91. The decrease in the private sector is 70,000 jobs with a simultaneous increase in the public sector of 10,000 (The Economic Council).

Even though unemployment increased throughout the 1970s, there was also a strong increase in employment; this increase was "eaten up", however, by

the increase in the size of the work force. Looking back over time, it is noteworthy that in recent years, there has been no increase in the work force.

Figure 1. The development in work-force and employment. 1982-1992.



Source: KAD, 1991. *Nedskæringer koster dyrt. (Cuts are expensive).*

If there had not been a stagnation in the work force in recent years, then the marked decrease in employment would have resulted in an even higher unemployment than the most recent figure of 300,000 registered in November 1991. The stagnation in the work force is undoubtedly linked with the levelling off of the economy.

The activity-rate has increased during the 1980's, but only for women, and the difference between men and women has decreased. In 1987, the activity-rate in the age-group 16-66 years, was 86% among men and 76% among women. In the age-group 25-49 years the difference in activity-rates between men and women, is now only 5 percent-points (93,4% and 88,7%).

There is still a big part of the women, working part-time – in 1989 36% of the women worked at most 30 hours per week. During the 1980's, the part-time work has decreased. Part-time work is most common among the salaried employees and the unskilled workers.

In 1987, 9% of the employed persons had an additional job. This is most common among men in the groups: salaried employees, upper level and the self employed in agriculture.

Families with children have the longest working-time per week – especially families with small children.

3.3.2 Unemployment

The levelling of economic activity has meant a marked increase in unemployment. From 1986 to 1991, there has been an increase of 80,000 or 36% in registered unemployment. The increase has been especially sharp in 1991.

Table 3.19: Development in average registered unemployment, average degree of unemployment, number of persons experiencing unemployment and number of persons experiencing unemployment for half a year or more. 1987-1992. Index. 1987=100

	Average registered unemployment.	Average degree of unemploy.	persons experienced unemployment.	Persons experienced unemp. half a year or more
1987	100	100	100	100
1988	110	112	98	114
1989	119	119	101	129
1990	122	119	103	132
1991	133	125	106	147
1992*	139	132	105	160
Total numbers in 1992*	308,600	0.409	753,700	271,000

* Figures from 3. quarter 1991 to 2. quarter 1992

Source: Statistical Ten-years Review and Statistiske efterretninger, Arbejdsmarked

Unemployment increased strongly in the period up to 1983. It then decreased in the period up to 1986. Thereafter, it rose again, and 1992 has the highest unemployment since the war.

It can be seen that in recent years the average degree of unemployment and the number of persons unemployed for half a year or more throughout the year have increased especially sharply.

In 1989, approximately 25% were unemployed up to one month and approximately 60% were unemployed up to 4 months, while approximately 18% were unemployed for more than 8 months.

Table 3.20: Duration of unemployment during one year. Percent. 1980-1989.

Degree of unemployment:	1980	1989
- 0,1	33	26
0,1-0,3	28	24
0,3-0,7	27	32
0,7-1,0	12	18
Total	100	100

Source: Statistical Ten-year Review.

Women in the Danish labour market are significantly harder hit by unemployment than men. Also, young people have a higher unemployment percent than other groups. It is characteristic for young people, that unemployment lasts for a shorter period of time, but involves many, while for older people, unemployment lasts much longer but does not involve so many.

Table 3.21: Average registered unemployment, average degree of unemployment and percentage of labour force experiencing unemployment, by sex and age. 1989.

	Average registered unemployment. Percent.	Average degree of unemployment	Percentage of labour force experiencing unemployment.
Men	8,0	0,357	22,4
16-24 years	10,2	0,309	33,0
25-59 years	7,5	0,367	20,4
60-66 years	7,1	0,470	15,1
Women	11,1	0,378	29,4
16-24 years	14,0	0,340	41,2
25-59 years	10,3	0,385	28,8
60-66 years	10,4	0,513	20,3
All	9,4	0,368	25,5

Source: Statistical Yearbook.

3.4 Health conditions

3.4.1 Illness and health problems

One-third of the Danish adult population suffers from one or another form of long-lasting illness or health problem, such as illnesses that impede movement and circulatory diseases. In spite of these diseases and health problems, many can live a relatively normal life and continue working.

The long-lasting illnesses are of course more widespread in the older age groups, but there are also social differences. Workers more often have long-lasting illnesses than salaried employees.

Table 3.22: Percentage of population having suffered from a long lasting disease by selected employment groups. 1991.

	Men	Women	All
Self employed in agriculture	35	..	34
Self employed in other industries	29	32	29
Assisting spouses . . . . .	..	35	35
Salaried employees, upper level	29	20	26
Salaried employees, intermediate level	27	26	26
Salaried employees, lower level	25	25	25
Skilled workers	32	..	32
Un-skilled workers	37	27	32
Unemployed	35	32	33
Pensioners	60	64	62
Homemakers . . . . .	.	41	41
Students	19	20	19
Others, economically inactive	66	67	67
Total	35	37	36

Note: The question: Do You suffer from a long lasting disease, long lasting aftereffect of an injury, handicap or other long lasting health troubles?

Source: Living Conditions in Denmark. Compendium of Statistics. 1992.

In addition to the many people who must live with more or less serious long-lasting illnesses/health problems, there are also many who suffer from several everyday health problems, such as painful muscles and joints, headache and stomach problems. Some of these problems can be caused by long-lasting illness/health problems.

Many people suffer from various forms of psychological discomfort in their daily lives, such as weariness, sleeplessness and nervousness/anxiety. (See table 3.23).

Information on use of the health system in the form of physician consultations, hospital admissions and consumption of medicine shows, as expected, that older people are greater consumers of the health system than younger people (see tabel 3.24).

Table 3.23: Percentage of men and women inconvenienced by specified mental health problems. 1991

	Men	Women	Total
- percentage -			
Fatigue	28	43	36
Insomnia	15	24	20
Nervous strain anxiety, etc.	10	18	14
Depressed moods, etc.	9	20	14
Rapid heartbeats	10	14	12
No physical troubles	57	39	48

Source: Living Conditions in Denmark. Compendium of Statistics. 1992

Table 3.24: Percentage of men and women who have been in contact with a doctor within the previous 3 months, by age. 1987 and 1991

	16-24 years	25-44 years	45-64 years*	65 years or more*	Total
- percentage -					
Men					
1987	25	26	36	46	32
1991	33	32	35	50	36
Women					
1987	36	33	42	49	42
1991	47	40	43	62	46
Total					
1987	32	30	39	48	39
1991	41	36	39	56	41

* In 1987: 45-66 years and 67 years or more

Note: Number of respondents in 1987: 4,753 and in 1991: 3,093. Includes only contact with a doctor due to own illness - not a child's illness. Includes only general practitioners, specialists, doctors on emerging service and doctors at the work-place.

Source: Living Conditions in Denmark. Compendium of Statistics. 1992

3.5 Housing conditions

The Danish housing conditions are relatively good. There is a relatively low housing density and almost all housing has the most necessary sanitary installations in the form of own WC, own bath and central heating. In addition, most families have many other types of long-lasting consumer goods, such as a washing machine, refrigerator, freezer, colour TV and telephone.

Social differences exist in regard to the possession of some these consumer goods.

Most families with children live in one-family houses. In 1991, approximately 85% of all couples with children lived in one-family houses, while this was the case for only 44% of single families with children. Most single households without children live in apartments in multi-family housing, approximately 62%.

Since owning a house requires a relatively high income, there are social differences between those who live in their own houses and those who rent. There are, however, large areas of the country where it is almost impossible to find rentable housing.

Table 3.25: Percentage of the population, living in different types of dwelling. 1981-1989.

	1981	1989
One-family houses	68,0	69,4
Multi-family houses	30,6	29,2
Owner-occupied dwelling	63,6	64,2
Rented dwelling	35,4	34,8

Source: Statistical ten-year review.

3.5.1 Housing density

Denmark has a relatively low housing density, since there are many small households consisting of one or two persons. 33% of all households consist of one person and 34% consist of 2 persons. This means that 15% of the population live in one-person households and 29% live in 2-person households.

In 1991, 11% of the population lived in dwellings with less than one room per. person, while 20% lived in dwellings with just one room per. person. It is primarily families with children that live under high density housing conditions. Thus, 36% of the people in families comprising a couple with two children lived in dwellings where there was at most one room per. person. In families comprising a couple with three children or more, 56% lived in dwellings with at most one room per. person.

Housing density also has an unequal social distribution. Workers live to a higher degree in higher density housing than salaried employees.

3.5.2 Sanitary installations

Almost all Danes live in dwellings with the most necessary installations, such as own WC, own bath and central heating. .

Table 3.26: Percentage of population, living in dwellings with WC, bath and central heating. 1981-1989.

	1981	1989
Own WC	97,2	98,2
Own bath	89,3	92,2
Central heating	94,0	95,6

Source: Statistical ten-year review.

In 1989, 87% of the population lived in dwellings that had own WC, own bath and central heating. For persons in families with children, 93% lived in dwellings with these three basic installations.

There are, however, social differences regarding the basic installations. Thus, "only" 76% of the pensioners and 83% of the unskilled workers lived in dwellings with the basic installations.

3.5.3 Consumer durables in housing

In addition to the basic installations, consumer durables are also found in modern housing, such as washing machine, refrigerator, freezer, dishwashing machine and telephone. During the 1980s, several improvements have occurred in this area.

Table 3.27: Percentage of families possessing selected consumer durables. 1980-1989.

	1980	1989
Washing machine	57	66
Dishwasher	19	23
Refrigerator/Fridge-freezer	96	97
Deep freezer/Fridge-freezer	75	85
Colour TV	62	87
Video recorder .....	..	30
Home computers .....	..	12
Telephone	87	93

Source: Statistical ten-year Review.

Almost all Danish families now have a telephone, colour TV, refrigerator and freezer, while 66% have their own washing machine. It is still a minority, however, that have video, home computer and dishwashing machine. And there are several social differences with regard to the various kinds of consumer durables owned by families.

Table 3.28: Percentage of families possessing selected consumer durables, by gross income. 1987.

	Below 100.000 kr.	100- 199.999 kr.	200- 299.999 kr.	300.000 kr. or more	All
Washing machine	33	43	79	89	61
Dishwasher	3	9	28	56	23
Deep freezer/Fridge-freezer	71	78	96	97	84
Colour-TV	71	79	88	96	83
Video recorder	6	16	29	34	20
Telephone	88	90	99	99	94

Source: Living Conditions in Denmark. Compendium of Statistics. 1988.

3.5.4 Homelessness

There are no officially published figures on the homeless in Denmark. Neither is it known how many who live in acute housing needs. Housing association waiting-lists cannot be used to this end as they often express the

wish of existing householders to move to another home. Furthermore, people have the right to be on several waiting lists.

The only available statistical material covers the residents at the so-called §105 Institutions which are regulated in accordance with §105–11 of the Social Assistance Act.

Every county has to guarantee that there is enough room at the reception centres and other institutions for those who are homeless or who can not cope with the demands of every-day life in modern society. Reception centres and similar institutions can be established and run by one or several county authorities, or else by private organisations on the basis of a contract with the counties.

The County Council Association investigated the plight of the homeless by means of a survey undertaken in 1989. (The County Council association, 1990). The report estimated that the number of residents seeking reception centres, boarding houses, and shelters is around 25.000 in a year. If you take account that some persons contact the institutions many times and often more than one institution, the number of persons are smaller. The estimated number of persons in a year is around 12–13.000 persons. (Friedberg, 1992)

In Copenhagen, where there are about 1.000 beds at institutions, key officials estimate approx. that 4–5.000 people are homeless, devoid of a rented room or of a place to stay. It is estimated that approximately 250 people sleep in the streets of Copenhagen, including underground railway stations, subterranean passages and cellars. (Salicath & Thomsen, 1992)

4 Cumulative Disadvantage and Exclusion (The marginalized, excluded and poor in Denmark)

4.1 Marginalized and excluded

In the Danish debate, the terms "marginalized" and "excluded" mainly refer to problems of longer duration in regard to the connection of individuals/families to the labour market.

To be marginalized or excluded is not the same as being unemployed for a longer period of time or even permanently unemployed. These terms are broader, since they include all circumstances which cause lasting problems in regard to the labour market, such as sickness, fatigue, unemployment etc. (Hansen and Mærkedahl, 1987).

To be marginalized or excluded is not only a condition but rather a description of a process: Processes of disadvantage in terms of unemployment. In the following, when we examine the processes and the extent of marginalization and exclusion, it is necessary to consider the aspect of duration. Analyses which include the aspect of duration require that the same individuals and families are followed over a course of several years. During recent years, a series of such analyses has been made of unemployed workers and social assistance in Denmark.

4.2 Duration of unemployment

Various measures of unemployment are used. The number of **registered full-time unemployed** indicates the number of missing jobs if all the unemployed, whether for a shorter or longer period, within one year, were to have jobs. Another measure is the **number of persons** who are unemployed during the course of, say, one year. Thirdly, we can look at the **duration of unemployment within one year** and see, for example, how many have been unemployed for at least a half-year. Finally, we can look at the **duration of unemployment over a longer period of time** by following the same individuals over several years. The last two types of analyses can give a deeper insight into the groups which are marginalized and excluded in relation to the labour market.

Studies analyzing the duration of unemployment in Denmark over several years exhibit two striking trends. One is that a large part of the work force is not touched by unemployment at all, and the other is that, among those who have been unemployed, there is a great difference in the duration of unemployment.

In one study on unemployment during the period 1979–1984, which included 80% of all wage earners, 55% had not been unemployed. 80% of the total unemployment was borne by not quite 20% of the registered wage earners. A little more than half of the total unemployment was borne by about 10% of the registered wage earners (Det økonomiske Råd, 1988).

Regarding the duration of unemployment, during this whole period, a little more than 4% (about 80,000 persons) had been unemployed for more than half of the six-year period, 1979–1984.

In another study, all unemployed in 1982 were followed in order to record the duration of unemployment through 1987 (see table 4.1) (Social Rapport 1990). 15% of the unemployed, or a little over 120,000 persons had been unemployed for more than half of this six-year period.

Table 4.1: All persons having experienced unemployment in 1982, by degree of duration of unemployment in the period 1982–87. Percent.

	Having experienced unemployment in 1982.
0–1/2 years	30
1/2–1 years	15
1–2 years	23
2–3 years	16
3–4 years	11
4–5 years	4
5–6 years	-
total	99
Number of persons	721.000

Source: Social Rapport, nr. 2, CASA, 1990.

In spite of variations in the number of registered unemployed, in the number of persons who have been unemployed and in the number who have been unemployed for more than a half-year within a year during the period, 1980–1990, the results of the studies covering two longer periods of time, during which the same persons were followed for six years, showed that **unemployment of longer duration (more than half of a six-year period) had risen during the course of the 1980s.**

A third study analyzes the period 1980–1988 (Ploug 1990). This study, however, includes only unemployed who received unemployment insurance benefits. The number of unemployed during the period was recorded, and the processes of the unemployed were examined. For example, some persons were followed from 1980–1982, when they were fully marginalized from the labour market, until 1986–1988, when they were fully integrated again. Other persons were followed who were fully marginalized in 1980–1982 but who, in 1986–1988, continued to be fully marginalized.

Table 4.2 shows that by far most of those who were fully integrated in 1980–1982 were also fully integrated in 1986–1988, while only very few were partly or fully marginalized. Almost half of those who were fully marginalized in 1980–1982 became fully integrated in 1986–1988, and 22% continued to be fully marginalized.

Table 4.2: The population (persons insured against unemployment in the period 1982–88) by unemployment groups in 1980–82, distributed by unemployment groups in 1986–88. Percent.

Unemployment groups in 1986–88.	Unemployment groups in 1980–82.			
	Fully integrated	Partly integrated	Partly marginalized	Fully marginalized
Fully integrated	87	62	49	46
Partly integrated	9	25	34	28
Partly marginalized	1	3	6	3
Fully marginalized	4	9	11	22
Total	101	99	100	99
Number of persons	647.090	188.155	12.000	78.532

Fully integrated = persons with a degree of unemployment less than 0,100 in each year in the period of 3 years.
 Partly integrated = persons with a degree of unemployment less than 0,100 in 1 or 2 years in the period and who do not have a degree of unemployment of 0,700 or more in any of the years in the period. Partly marginalized = persons with a degree of unemployment of more than 0,100 in each of the years in the period and who do not have a degree of unemployment of 0,700 or more in any of the years in the period. Fully marginalized = persons with a degree of unemployment of 0,700 or more in at least one of the years in the period.

Source: Ploug, Niels. 1990.

4.3 Social assistance in the welfare system

4.3.1 Social assistance

Like the number of unemployed, the number of families receiving social assistance under the Social Assistance Act has varied during the 1980s. But

just as the number of unemployed has increased since 1987, the number of families receiving social assistance has risen since 1986. There was an especially strong increase from 1987 to 1988 and again from 1990 to 1991. From quarterly analyses in 1992, a further increase can be seen throughout 1992.

Table 4.3: Families receiving cash benefits under the Social Assistance Act. 1980–1991. Index 1980=100.

	Cash maintenance social benefits	Temporary social benefits	Education assistance
1980	100	100	100
1981	108	108	106
1982	115	114	119
1983	114	111	134
1984	111	106	151
1985	108	104	150
1986	102	98	149
1987	103	99	160
1988	119	113	216
1989	120	113	219
1990	120	114	218
1991	127	122	216

Source: Statistical ten-year review and News from Statistical Department nr.287, 1991

Most recipients of social assistance are single. More than two-thirds of the families receiving social assistance are singles, while one-fifth are couples. It should be noted, however, that couples living together without being married are included in the singles group.

A large share of couples receiving social assistance have children. This applies especially to the age group 30–39, where almost 90% of couples receiving social assistance have children. Of singles receiving social assistance approximately one-third have children.

The younger age groups comprise a majority of the recipients of social assistance. The age group under 30, both in 1989 and 1990, comprised 59% of the families receiving social assistance. The same group in 1990 comprised 51% of the families receiving all forms of social assistance under the Social Assistance Act.

Table 4.4: Families receiving social benefits under the Social Assistance Act. 1990

Couples without children	3
Couples with children	18
Singles without children	44
Singles with children	23
Children living at home, age 18-25 year	9
Families not stated	3
All families	100
Numbers of families	328.007

Source: News from Statistical department, nr. 287

During recent years, several studies have examined how many maintain themselves on social benefits over a longer period of time. In one study all social clients were followed in the period 1980-1985 (Andersen and Larsen, 1988). Figures for 1985, of the approximately 240,000 families who received temporary social benefits under the Social Assistance Act that year (see table 4.5) show that:

- a minimum of 44% of the families had received social benefits for more than one year during the period 1980-1985. 35% had received help for more than one year in the years 1984 and 1985 alone;
- a minimum of 35% of the families had received social benefits during the years 1983, 1984 and 1985. Of these, three-fourths had received help for more than one year within these three years;
- 32% of the families had received social benefits in 1980 and on the average had received benefits for more than three years;
- 9% of the families had, during 1981-1985, received social benefits for more than 4 years altogether.

Table 4.5: Families receiving temporary social benefits under the Social Assistance Act in 1985 and the percentage receiving benefits in one of the years 1984-80. Also the percentage permanently receiving benefits more than one, two, three and four years in the period. 1985-1980.

Years	Percentage of families	Permanently receiving benefits at least more than:	Percentage of families
Basis year 1985 number of families	239.130		239.130
1984	64	one year	35
1983	51	two years	22
1982	44	three years	16
1981	37	four years	9
1980	32	-	-

Source: Andersen, J. & Larsen, J.E., 1988.

Another study also examines the period 1980-1985, but it is based on the 1980 population (Ploug 1988). It also differs from the previous study in that it only includes social assistance recipients between the ages of 18 and 40. Like the previous study, it shows how many clients remain in the welfare system, and also how many leave the system and do not return, as well as how many leave it and do return.

Table 4.6, line "stable - out", shows the size of the group that left the welfare system in 1980 and never returned to it. Line "stable - in" shows the percentage of person receiving support every year from 1980 to 1985, i.e. the percentage of families or individuals who received support every year regardless of the length of the period. The last line shows the percentage of those who received support in 1980 who also received support in 1985.

Table 4.6: The processes for families receiving temporary social benefits, in and out of the Social Assistance system, 1980-85.

Receiving cash social benefits in 1980	Maintenance social benefits	Education social benefits	Permanently social benefits
Number of persons in 1980	167.792	22.250	2.253
Stable out	29	14	8
Stable in	18	28	48
Also receiving cash benefits in 1985	31	37	54

stable out= the percentage, who drop out of the system in the period 1980-81 and never return to the system in the period 1981-85. Stable in = the percentage, who received cash benefit every year in the period 1980-85.

Source: *Ploug, Niels, 1988.*

A large percentage of those receiving social assistance are unemployed and are thus included in unemployment statistics and also in statistics on duration of unemployment. The duration of unemployment during the period 1982-1987 for recipients of social assistance who also were unemployed was examined, based on the number of unemployed on welfare in 1982. This study shows that unemployed recipients of social assistance are unemployed for a longer time than the average of all those who have been unemployed (see table 4.7). More than 20% of the unemployed on social assistance have been unemployed for more than half of the 6-year period.

Table 4.7: All unemployed and unemployed receiving social cash benefit in 1982 by duration of unemployment in the period 1982-87.

Years	All unemployed in 1982	Unemployed receiving social benefits in 1982.
0-1/2 year	30	18
1/2-1 year	15	16
1-2 year	23	26
2-3 year	16	20
3-4 year	11	13
4-5 year	4	5
5-6 year	-	2
Total	99	100
Number of persons	721.000	168.000

Source: *Social Rapport, nr. 2, 1990. CASA.*

While most often, young people are on welfare for short periods, there are some recipients of social assistance without job experience and education who are often unemployed for long periods. It is a consistent trend that the so-called "heavy" social clients entered the welfare system when they were relatively young, and that they have therefore found it very difficult to leave it. On this background, a study was carried out examining when persons receiving social assistance in 1988, started receiving social benefits. The period of study was 1982-1988 (Ministry of Finance 1990).

This study shows that 14% of those on welfare have received social benefits for at least seven years, while 28% started on welfare in 1988 (see table 4.8).

Table 4.8: Persons receiving temporary social benefits in 1988 by duration of receiving temporary social benefits in the period 1982-88.

one year	28
two years	17
three years	13
four years	10
five years	9
six years	8
at least seven years	14
Total	99
Number of persons in 1988	226.566

Source: Finansministeriet m. fl. 1990.

When we examine the number of the social assistance recipients being under 20 years of age when they entered the welfare system, we see that 67% of young people under 24 of age received support for the first time when they were under 20 of age. Among persons over 25 on January, 1. 1988, at least 42% received support in 1982. The study further shows that 22% of the social clients over 25 had not earlier received social benefits, at least not during the previous six years.

The study also shows that most of the 1988 population under 30 of age, who had received social benefits, entered the welfare system before they were 20 of age. For social clients over 30, a group almost as large as those under 30 of age, it has not been possible in the same way to determine when they began on welfare.

contact with the welfare system show that a very large percent of the "new" social assistance leave the welfare system relatively quickly. Examining the figures for one year, the studies show, that of those on social assistance that year, almost 30% leave the system within the year and never return.

At the same time, the studies show that a relatively large group remains more or less permanently in the welfare system for several years. During a five-year period, the studies show that at least 10% were permanently on welfare and 18% were steady members of the welfare system for 5 years during a seven-year period 1982-1988, 14% received social assistance for at least seven years. Finally, the studies show that a large group of those on social assistance during a single year, approximately 30%, return to the welfare system during the course of a five-year period.

In one study, the processes which recipients of social assistance go through were examined more closely (Hansen and Fibiger 1988). The study followed persons with social problems of longer duration, defined here as persons who had received social benefits during the period 1981-1982 for at least nine months. This group was followed until Fall 1985, i.e. almost five years after they first entered the welfare system. The study showed that after almost five years, persons in this group were in one of the following situations in regard to their support:

- 21% were completely self-supporting, i.e. they were employed full time with steady work and not receiving any cash benefits.
- 26% were partially self-supporting, i.e. they were employed, but not full-time nor with steady work, and they received supplementary cash benefits, or they were unemployed but with a preceding period of employment of longer duration.
- 22% continued to receive temporary cash benefits. Because of permanent unemployment or unemployment of longer duration, these persons received either social benefits or unemployment benefits.
- 32% received permanent cash benefits, either a pension or permanent social benefits.

The study thus shows that of the persons who receive social assistance in accordance with the Social Assistance Act for at least nine months within the first year, almost one-fourth - 22% - must be characterized as marginalized, while after a five-year period almost one-third - 32% - must be characterized as excluded.

As inferred above, a relevant approach to respectively the marginalized and the excluded groups is possible through the character and duration of the period during which a member of these groups has received benefits. In regard to the character of the period, we differentiate between temporary benefits (social assistance, unemployment and sickness benefits) and permanent benefits (early retirement pension, early retirement pay, pension).

Cross-calculations in accordance with the above differentiation have been carried out from 1965/66 until the present. Table 4.9 shows that the number of persons in the age group 18-66 who have received cash benefits for at least one-half year within a single year has risen greatly: **from 7% in 1965/66 to 21% in 1984** (Knudsen 1987). It can be seen that there is an especially high rise in the percentage of those receiving temporary benefits. **In 1988, this figure was 20%** (see table 4.10). (Social Rapport 1989).

Table 4.9: Percentage of persons in the age 18-66 years, who received cash benefits for at least six months or longer within a year. 1965/66-1984.

	1965/66	1972/73 *	1977	1982	1984
Permanent cash benefits:					
Men	3,6	5,4	5,4	7,8	8,1
Women	8,0	10,8	10,5	11,3	11,4
All	5,8	8,1	7,9	9,5	9,8
Temporary cash benefits:					
Men	1,0	1,5	6,6	12,1	10,0
Women	1,0	2,0	5,9	10,8	12,8
All	1,1	1,8	6,3	11,5	11,7
All cash benefits:					
Men	4,6	6,9	12,0	19,9	18,1
Women	9,0	12,8	16,4	22,1	24,2
All	6,9	9,9	14,2	21,0	21,5

* figures on unemployment benefits are not available.

Source: Knudsen, Rita, 1987.

Table 4.10: Percentage of persons in the age 18–66 years, who received cash benefits for at least six months or longer within a year. 1988

	Men	Women	All
Early retirement pension	34	43	39
Early retirement pay	20	12	16
Unemployment benefits	26	27	26
Sickness benefits	5	4	5
Social assistance	15	13	14
total	100	100	100
Number of persons	269.000	344.000	613.000
Percentage of all in age 18–66.	16	21	19

Source: *Social Rapport, nr. 2, 1990. CASA.*

According to a more official definition, the **marginal groups** on the labour market include persons between the ages of 18 and 59, who:

- are temporarily supported by public cash benefits most of the year (at least one-half year)
- have been approved for the increased ordinary early retirement pension during the course of the year
- or have received the increased ordinary early retirement pension during the whole year.

According to this definition, **9% of all persons between the age of 18 and 59 were included in the marginal group** (Ministry of Finance 1990). The percentages are approximately equal for all age groups, but there is an over-representation of women (see table 4.11).

Table 4.11: The marginalized group by age. 1987.

	18-29 years	30-49 years	50-59 years	All
Mainly unemployment benefits	44	47	40	44
Mainly sickness benefits	6	15	15	12
Mainly social assistance	42	26	5	27
Mainly rehabilitation	8	4	0	4
Increased ordinary early retirement pension during the year	0	2	7	2
Increased ordinary early retirement pension all the year	0	6	33	10
total	100	100	100	99
Number of marginal persons	92.414	118.584	56.219	267.217
Percentage of all persons	9,8	8,0	10,9	9,0
Percentage of women in the marginal group	58,8	57,2	55,2	59,4
Percentage of women of all persons	48,6	49,1	50,7	49,2

Source: *Finansministeriet m. fl. 1990.*

There is no official definition of the excluded groups. However, in connection with the government's initiative for a more active social policy, a definition has evolved from the attempt to examine the groups which have been excluded from the labour market (Ministry of Social Welfare 1990). The **excluded** group is defined as persons 30 years of age or more, who:

- have exceeded the time period allowed for receiving sickness benefits
- have received social assistance for a long period
- have received an early retirement pension.

The group comprises a total of 276,000 persons, i.e 12% of all persons between 30 and 66 years of age, or 9% of all persons between 18 and 66 years of age. The percentage and number of excluded persons is thus as large as the percentage and number of the marginalized group.

4.5 Poverty and the poor

There is no official Danish definition of poverty, and therefore the official statistics in Denmark do not operate with a poverty line. During the 1980s, however, there has been a great deal of interest in the poverty question, and

in this connection, a series of comprehensive poverty studies has been made. In recognition of the fact that a minority of the population lives under unacceptable conditions, the government established a "poverty fund" in 1987. The money in this fund is given to voluntary social work carried out by private organizations, associations and groups which directly, in the form of preventative measures, activities and various forms of support, benefits those members of society who are resource-poor (Ministry of Social Welfare 1988).

By "resource-poor" is meant persons whose living conditions are marked by a so-called absolute or relative poverty characteristic. **Absolute poverty characteristic** covers the life situation of persons who have almost no material possessions, who are often homeless, who suffer from psychological disorders and are in a bad physical condition due to misuse over longer periods of time. These are people in deep social, economic and cultural need who find it difficult to adjust to ordinary life.

Relative poverty characteristic applies to people who are integrated into society but this integration is very weak. They are often excluded from the labour market, and their life situation is characterized by economic and/or social problems. They are cut off from goods and activities which it is generally acknowledged should be available to every member of the Danish society. They live primarily on cash benefits and many are permanently caught in the welfare system or are early pension recipients.

This definition of the poor groups in Denmark has been taken from one of the first Danish poverty studies "The Poorest in Denmark" (Hansen, F.K., 1987). This study describes the life situation of the poorest groups in Denmark, and also estimates the groups having absolute and relative poverty characteristics. The report estimates that the group with absolute poverty characteristics comprised 1% of all persons between the ages of 18 and 66, while the group with relative poverty characteristics included 4% of all persons between 18 and 66.

Where an official description and characterization of the poor groups exists, several researchers have made an especial effort to estimate the degree of poverty through the use of different measuring methods and poverty definitions. These researchers all share a common conception of poverty: poverty differs from inequality, and the basic characteristic of poverty is the lack of material resources whether measured in money or any other way. Finally, they agree that at least two poverty concepts are necessary, one for "existence minimum" and one for the phenomenon which can be described as "excluded from the ordinary way of life".

In the various studies of poverty, we find two different approaches. One, more traditionally, emphasizes the economic situation of the individual and the family, and the other in accordance with Townsend emphasizes the unfulfilled needs or deprivation of the individual and family.

4.5.1 Degree of poverty in Denmark

Degree of poverty by economic figures

A study from 1986 (Hansen, E.J., 1986) was based on The Household Council's food budget for an adult, which was 866 DKK per month in 1986. On this basis, the poor were defined as persons and families having less than 1,000 DKK per person per month for daily consumption (available cash per person), and a total gross income of not over 100,000 DKK. According to this absolute definition, a close approximation of an "existence-minimum" concept, 3-4% of those between 30 and 69 years of age were classified as poor.

In a follow-up study in 1989 (Hansen, E.J., 1989), several different figures on available cash and gross income were used. Depending on whether the figure is set at 1,000 or 1,500 DKK for available cash, and 100,000 or 150,000 DKK for gross income, the percentage of poverty in the population varies between 2% and 9% (see table 4.12 and table 4.13 where a percentage of poverty is given for different family types).

Table 4.12: Percentage of persons between 29 and 79 years of age below the poverty line under different assumptions. 1986.

Disposable amount for per capita daily consumption* per month in the family. 1986	Gross income in the family 1985	
	Below 100.000 DKK	Below 150.000 DKK
Below 1.000 DKK	2	4
Below 1.500 DKK	6	9

N= 4.561

* The amount left over after payment of taxes, housing (gross rent), fuel, electricity, transport, telephone, trade union membership, insurance, payment for children in day-care institutions or whatever the family regards as fixed costs for the family.

Source: Hansen, Erik Jørgen, 1989.

Table 4.13: Percentage of persons between 29 and 79 years of age below the poverty line by family type. 1986.

	Lowest assumptions	Highest assumptions	N
Family type:			
Singles, no children	4	11	916
Singles, with children	13	37	175
Couples, no children	2	12	1.533
Couples, with children	1	4	1.912
Total	2	9	4.536

* Social class I = high-level salaried employees and very large-business employed. Social class II = upper-level salaried employees and large-business employed. Social class III = all other self-employed persons and middle-level salaried employees. Social class IV = lower-level salaried employees and skilled manual workers. Unskilled manual workers form social class V.

Source: Hansen, Erik Jørgen, 1989.

In another poverty study from 1989 (Andersen, J.J. and Larsen, J.E., 1989), two sociologists have examined various families' budgets and the same families' estimation on the size of income necessary in order to carry out the normal and necessary activities of daily life. They arrived at the conclusion that cash available should be 1.500 DKK per adult and 750 DKK per child per month. The level of gross income should be 100,000 DKK for a single person and 200,000 DKK for a couple. Here, another gross income figure of 150,000 DKK for singles and 250,000 DKK for couples was also used. Accordingly, the percentage of poor was between 16% and 20% of the total population.

On the basis of the concept that poverty is not just a condition, but perhaps rather a process, and having taken into consideration the difficulties connected with estimating the number of poor from studies based on only a single year, the situation of the economically disadvantaged has been studied in relation to their place in the income distribution over several years. By using this method, we can determine the percentage of the population having had a more or less permanently low position on the income distribution scale, i.e. **those who have been permanently in the lowest one-fourth of the disposable income distribution for several years** (Hansen, F.K., 1990 and Ingerslev, O., 1990). Two results are presented. One follows the families' position in the disposable income distribution per person during the period 1981-1987, and the other follows the families' position in the disposable income distribution for different family types during the period 1982-1988. Unfortunately these results are not directly

comparable because they operate with different income definitions and different measuring methods.

In the period 1981–1987, 7% of the families were permanently in the lowest one-fourth of the disposable income distribution per person (Ingvarstsen 1990). In 1982–1988, 4% were permanently and 10% almost permanently in the lowest one-fourth of the disposable income distribution for comparable family types (Hansen, F.K., 1990).

Degree of disadvantage by standard of living

In connection with the Danish studies of living conditions, in 1976 and 1986, persons who live in very strenuous circumstances – termed "very disadvantaged" (Hansen, E.J., 1986). Persons have been categorized simultaneously disadvantaged with regard to four level of living conditions: health, housing, social relations and work environment (if they have work). In other words, persons are thus grouped whom we can assume have an exceptionally low standard of living and who play a large role in poverty statistics. It must be emphasized, however, that this concept does not include economic factors and that the "very disadvantaged" are thus not necessarily in this situation for economic reasons. This term is therefore not a poverty concept, but tells something about the total life situation. Studies of the "very disadvantaged" have been made in both 1976 and 1986 and thus show something about development. As shown, 12% of all persons between 30 and 69 years of age were "very disadvantaged" in 1976, while the figure was 6% in 1986 (see table 4.14).

Table 4.14: The development in the percentage having accumulated bad living conditions* by family type. 30–69 year. 1976 and 1986.

	1976	1986	N=1976	N=1986
Family type:				
Singles, no children	20	12	581	641
Singles, with children	20	9	107	162
Couples, no children	14	6	1.318	1.241
Couples, with children	8	4	1.847	1.848
Total	12	6	3.853	3.892

* Simultaneously disadvantaged with regard to four level of living components: housing, health, working environment and social relations.

Source: Hansen, Erik Jørgen, 1989.

Degree of poverty by deprivation

The latest Danish poverty study was carried out in order to determine the individual family's material and social unfulfilled needs (Hansen, F.K., 1990). In addition to the families' economic situation, the study also examined the consequences of having so few economic possibilities by asking the families whether they had refrained from any everyday purchases, activities or actions for economic reasons: e.g. purchase of household goods or necessary medicine, heating the home, paying bills on time, going to the hairdresser, taking courses, going on vacation outside the home, visiting family and friends far from home, giving birthday presents etc. (see table 4.15).

To have refrained from one of these everyday activities or actions for economic reasons was considered an expression of deprivation. The group of people who were considered to suffer the most severe deprivation in their everyday life was determined on the basis of the total profile deprivations, since persons and families who were afflicted by at least four deprivation distributed over several categories were characterized as suffering from "multi-deprivation". **The percentage of the population with "multi-deprivation" was 9%.**

In addition to determining the percentage of families with "multi-deprivation", the investigation also examined the percentage of the population who had an "unsatisfactory housing standard" and "few material goods". **Unsatisfactory housing standard** was defined as housing which did not fulfil the minimum requirements (i.e. lacked at least one of the following: separate kitchen, warm water, own toilet, own bath, central heating or gas stove or refrigerator), or housing where more than one person per room was living. **Few material goods** was defined as lack of at least one of the four following: radio or TV or telephone or use of a washing machine, and at the same time lack of a car or means of recreation such as a summer cottage, boat, allotment garden or camping trailer. **Of all families in the population, 16% had an unsatisfactory housing standard and 14% had few material goods.**

Table 4.15: Deprivation for all families and by family-type.

By economic reason refrained from	Singles no children	Singles with children	Couples no children	Couples with children	All
Everyday necessities:					
Purchase of household goods	12	17	3	11	10
Purchase of shoes	11	36	4	15	12
Buying necessary medicine	2	6	1	1	1
Paying rent on time	3	10	3	3	4
Paying bills on time	7	23	3	9	7
Housing activities:					
Heating the home	3	3	2	2	2
Repairing the house	11	21	10	15	12
Repairing things in the home	10	26	5	10	10
Replacing things in the home	12	26	7	14	12
Reproduction activities:					
Going to the hairdresser	9	34	6	14	11
Going to the dentist	5	14	4	3	5
Taking courses	7	12	4	6	6
Doing hobbies	8	22	3	8	7
Going on week-ends	12	28	7	12	11
Going on vacation outside the home	16	33	12	14	15
Social activities:					
Inviting guests at home	13	26	6	9	11
Going out for an evening	17	31	10	17	16
Going to the cinema	10	22	6	9	10
Visiting family and friends far from home	12	39	7	12	12
Participating in meetings	7	16	1	5	5
Giving birthday presents	9	26	5	6	8
Number of persons	631	236	382	812	2.061

Based on the number of persons, who has been weighted, so it is representative for all families. (2.4 mill in 1988)

Source: Hansen, Finn Kenneth, 1990.

For all families in the population, the study shows that:

- * 71% had neither "multi-deprivation", unsatisfactory housing standard or few material goods
- * 20% had one of the three problems:
 - 8% had only unsatisfactory housing standard
 - 6% had only few material goods
 - 6% had only "multi-deprivation"
- * 9% had combinations of these three problems:
 - 1% had both unsatisfactory housing standard and "multi-deprivation"
 - 1% had both few material goods and "multi-deprivation"
 - 6% had both unsatisfactory housing standard and few material goods
 - 1% had all three problems.

The study shows that the persons and families with "multi-deprivation" had a markedly poorer economic situation than the rest of the population. This was true both in regard to gross income and disposable amount for daily consumption. A much larger percentage of those with "multi-deprivation" judged their own economic situation to be poor. (See table 4.16). However, a small percent of them had such high monthly fixed costs that on the basis of their total consumption pattern, it would be difficult to judge their material situation as poor. Seen also in relation to other categories, with regard to housing and health, materially and socially, the persons and families with "multi-deprivation" were in a worse situation than the rest of the population. (See table 4.17).

Table 4.16: Economic indicators by families suffering "multideprivation" and all families

Economic conditions, percentage by	Families suffering multideprivation	All families
	- percentage -	
Permanent or nearly permanent low income position in 1982 - 1988	22	14
Below 200,000 DKK in total family income	67	52
Below 1,500 DKK cash available per person per month	70	37
Consider their economic situation to be bad	63	17

Source: Hansen, F.K.: *Materielle og sociale afsavn i befolkningen, 1990.*

Table 4.17: Labour market, health and social network indicators by families suffering multideprivation and all families

	Families suffering multideprivation	All families
	- percentage -	
Unemployed in the period 1982-1988	46	25
Social assistance in the period 1982-1988	51	24
At least one physical health problem	53	43
At least one psychological health problem	62	28
Nobody to talk to about personal problems	17	8
Often being alone without wishing to be so	42	20

Source: Hansen, F.K.: Materielle og sociale afsavn i befolkningen, 1990.

The study which operates with these different deprivation characteristics – "multi-deprivation", housing deprivation and material deprivation – gives no poverty percent, but concludes that if by poor one understands persons and families who suffer from several severe kinds of deprivation, because their resources are so much smaller than those of the majority of the population, then 7% of the population were poor.

The different research results of the poor in Denmark show that the percentage of poor, regardless of the method used, is at minimum 3-4% and probably not greater than 10%. Of these poor people, a very small part – approximately 1% – have absolute poverty characteristics. By far the greatest number of poor in Denmark have relative poverty characteristics.

5 Policies and Innovatory Actions

5.1 Policies of income support

In Denmark there are no general schemes in the social protection system guaranteeing minimum resources. Neither are there any official minimum limits on income nor an official poverty line. But there are certain schemes that approximate provisions guaranteeing minimum resources.

In the labour market a kind of guaranteed minimum income is used in the form of a minimum time rate. This is not a provision based on law, but a part of the general agreements between the unions and the employers' organisations. The minimum time rate only guarantees the minimum of pay, but not the minimum of income. Furthermore, some employees are not covered by the general agreements in the labour market.

In the social protection laws and systems, there are no provisions of guaranteed minimum income. The Danish social protection system consists of the following 5 principal schemes:

- * Pension schemes
- * Social security schemes
- * Social subsidies
- * Social assistance
- * Social services

The pension schemes secure the citizens, if they are permanently unable to support themselves. e.g. because of old age or disablement.

The social security schemes secure the citizens, if they are temporarily unable to support themselves, e.g. because of sickness, maternity or unemployment.

Social subsidies are a supplement to support citizens, who have special needs, e.g. high housing expenses and children.

Social assistance secure support to citizens, who are unemployed or can not get any other form of support from other social schemes.

Social services are granted to citizens in a situation with special need for assistance, e.g. social advice service, kindergarten, nursing homes, home help for the elderly and rehabilitation. Most of the social services consist of benefits in kind.

Only two areas in the Danish social protection system include elements of guaranteed minimum income. One is the supplementary pension in the general pension scheme, granted to pensioners with very small or no income beside the original pension payment. The supplementary pension is based on a means test and calculated on the basis of total incomes (beside the basic pension). This means that no matter the size of the pensioner's extra incomes, they will always receive a minimum pension payment consisting of the basic pension plus the maximum supplementary pension.

The other area of the social protection system including elements of guaranteed minimum income is the Social Assistance Act. The benefits are granted to a person or a family in lack of income because of social events, e.g. sickness, unemployment, divorce, loss of spouse, etc., and not entitled to any other form of financial help from the social protection system. The benefits consist of: a) basic allowance, b) housing allowance and c) child allowance.

The benefits in the Social Assistance Act are probably the best example of a guaranteed minimum income scheme in the Danish social protection system. But they do not fulfil all requirements of a guaranteed minimum scheme. First of all it is not sufficient to have a low income to be entitled to the benefits. A social event must also have occurred. The basic principle is that there must be a change in the income situation of the family. The Social Assistance Act is more like a last resort help programme applicable to the situation, when all other forms of income maintenance and help are not sufficient to support the family.

The Social Assistance Act is administered by the municipalities, and only partly financed by the central government. Expenditures for counselling, and advising are paid 100 percent by the municipality, while the expenditures for transfer payments to the clients are reimbursed 50 percent by the central government.

5.1.1 Social assistance

The Social Assistance Act was put into force in 1976 and there have been several changes in the legislation in the period since then. There has also been a lot of public debate about the Social Assistance Act, primarily concerning two aspects: one is the rights of the individuals in relation to the principle of the means test, another is the misuse of social assistance.

From the beginning of 1976, there were opponents to the principle of means test. The question about the rights of the individuals in relation to means test is a classical debate in social policy. How can it be avoided that equal situations are treated differently?; or that different situations are treated equally? Apparently this is impossible in practice, and this problem has

caused many complaints. In 1987 the way social assistance measured was changed, and fixed rates were introduced instead of means test.

The debate about misuse of social assistance is part of another classical problem in social policy concerning social assistance to the deserving and the not deserving poor. The debate led to reductions in the maximum amount of social assistance.

Another principal change in The Social Assistance Act was the introduction of two levels for temporary benefits in 1983: One for those who had received social assistance less than 9 month, and another for those who had received it for more than 9 months. The latter got a lower benefit than the former. This division into different levels of benefit is traditional in Denmark, where people with temporary problems get higher benefits than people with long-lasting or permanent problems.

If we look at the development of the Danish social policy in this century, and especially the way the poor and the less privileged groups were treated we see a considerable change. At the beginning of the century we had a small and humiliating help to the poor, especially the not deserving poor. There was a constant improvement until the 1970's, where we had a rather generous help, but in the 1980's we have seen a slight decline. Still the present situation is far from the situation at the beginning of this century.

Social assistance is granted in the form of maintenance assistance proper and in coverage of specific expenses as e.g. in order to help children not to be removed from their home, help towards medical treatment, medical drugs and dental care, help to refugees, help to cover extra expenses in connection with the maintenance of children or adults with physical and mental handicaps.

Social assistance for maintenance proper includes temporary assistance and assistance towards training/education and rehabilitation (until July 1987, also permanent assistance).

Since July 1st 1987 social assistance is granted by way of a basic amount, a housing benefit, and a child supplement to persons who comply with the conditions to qualify for assistance.

The housing supplement is measured according to accounts rendered for reasonable expenses in connection with the dwelling (typically rent or payment of instalment and interest on property, water supply, electricity, heating, and gas). The child supplement is granted to parents receiving social assistance depending on how many children under 18 years of age they have.

After having received temporary social assistance continuously for 9 months, the basic allowance is reduced. Until October 1st 1990 the basic allowance was not reduced for persons on education assistance. After October 1st persons on education assistance now get maximum payment of sickness benefits according to the sickness insurance schemes (bruttorevalideringsydelse). For persons under 23 years of age the payment is half. You can get the payment for maximum five years. The payment is does not depend on the spouse's income and fortune.

A special allowance can be granted to young people below the age of 23. This allowance is different from the usual social assistance, because it is a fixed amount, meant to cover all expenses including housing expenses.

Social assistance can be divided into different categories, e.g. more or less than 9 months, youth benefit, etc. This is shown in table 5.1.

Table 5.1: Number of families receiving different types of social assistance under The Social Assistance Act, and the costs, 1991.

	Number of families	Costs Mill. DKK
Less than 9 months	178,146	3,571
More than 9 months	80,608	2,850
Special benefit to young people	25,746	211
Youth benefit	24,664	303
Special benefit to refugees	13,017	716
Specific expenses	83,914	349
Total*	268,442	7,999

* The same family can receive different types of Social assistance within a year.

Source: News from Statistical Department. No. 281, 1992.

Far from all families receive social assistance for a whole year. In 1991 the average duration of social assistance was 5,7 months. Table 5.2 shows the distribution of the duration of social assistance periods in different types of families.

Approximately 1/3 of all families receive social assistance for less than 3 months within a year, while approx. 1/3 receive social assistance for 4–9 months, and approx. 1/3 receive social assistance for 10–12 months.

Among the married couples, the young receive social assistance for a longer period than the old. Among the singles we see the opposite pattern, as the old receive social assistance for a longer period than the young.

Table 5.2: Number of months receiving social assistance for maintenance within a year. In different types of families. Percentage. 1991.

	Number of months:			Total	Number of families
	1-3	4-9	10-12		
Married couples:					
Below 25 years of age	30	36	34	100	5,532
25-39 years of age	39	30	31	100	17,503
40 years of age or more	47	28	25	100	10,584
Total	40	30	30	100	33,619
Singles:					
Below 25 years of age	47	37	16	100	99,579
25-39 years of age	37	30	33	100	92,731
40 years of age or more	33	28	39	100	36,666
Total	41	33	26	100	228,976
Below 18 years of age, living alone	65	23	12	100	466
All families	41	32	27	100	268,442

Source: News from Statistical Department. No. 281, 1992.

5.1.2 Old age pension

The majority of transfer payments go to the elderly (67 years of age and older) in the form of a universal flat rate old age pension. If the pensioner has no other income he or she will also receive a pension supplement and (means tested) personal allowances. 29 percent of the total social policy budget refer to pensions.

The Nordic Social Statistical Committee (NOSOSCO) calculates every second year a number of so-called compensation levels in typical cases, which comprise comparisons between the wages of a industrial worker, taxation and various forms of benefits.

Table 5.3: Compensation level in typical cases in event of old age, incl. supplementary pension. Net pension in percent of net income. 1990.

Single man	56
Married couple, childless, both receiving pension	47

Note: It is assumed that the pensioner has no income except pension.

Source: Social Security in the Nordic Countries 1990.

As can be seen from the table a married couple both receiving pensions and having no other income typically has an income at a level of about 47 percent of an average industrial worker's income whereas a single man will be slightly better off with about 56 percent. This is by far the lowest compensation rate among the Nordic countries – e.g. the equivalent Swedish compensation levels are 67 and 70 percent respectively (Social Security in the Nordic Countries, 1990).

By the traditional EC poverty definition – income of less than half the national average – most elderly living solely from old age pension will be poor by definition. Unfortunately, also measured by consumption standards the elderly are a high risk group, as shown in the latest published results from Eurostat (1990) where poverty is calculated as having less than half of the national average consumption units. Measured this way Denmark holds the least flattering position of having the largest proportion of its elderly population in poverty or in risk of poverty in the whole European Community: "[Quotation from Rapid Reports 1990/7]" (Eurostat 1990:).

Income is, however, not the only factor determining risks of poverty and social exclusion, and for the elderly a number of additional social provisions apply, notably home help and rent support; but also a host of other benefits like cheap passes for local public transportation, reduced fees for membership of various societies, etc. If the pensioner has no other income than the old age pension his or her rent cannot exceed 15 percent of the income and the rest will be paid by the municipality. In some municipalities home help is provided on a means tested basis free of charge, e.g. in Copenhagen; in other places the elderly are charged according to their income. If they have only their old age pension, home help will be given free of charge. When an elderly person is no longer able to take care of her or him self in his or her own home (even with the help of extensive homehelp and other services) the municipality is – in principle – obliged to offer the person a place in a nursing home. In practice, however, the municipalities are no longer building nursing homes, instead they have started building so-called 'elderly flats' which are publically subsidized housing with easy access for wheel-chair users, equipped with alarm systems, and generally constructed in a way such as to make caring for elderly easy; yet maintaining the atmosphere of a

private home. Thus all such elderly flats have two rooms, separate bathrooms, and kitchens. Currently, very few of these dwellings have actually been constructed, and beds have been closed down at the nursery homes, so quite a lot of elderly people have to stay in their own home despite the fact that it is impractical, dangerous or just very inconvenient, or they are placed in special hospital wards – the so-called long-term medical wards – which, by most people, are considered inhuman, degrading, humiliating, and most unsatisfactory.

5.1.3 Early retirement pension

When the early retirement pension scheme was first inaugurated it only applied to people 55 years of age or older whose work ability had been seriously reduced; it was granted on medical grounds, fairly few people received it, and it was not very popular. The Early Retirement Pension reform made it possible to be granted early retirement on so-called 'social' grounds, and the age limit was suspended, so that – in principle – 18 year olds can receive early retirement pension. The pension is divided into three tiers with different benefit levels called highest, medium, and ordinary.

The highest and medium tier of the early retirement pension can be characterized as an invalidity pension, while the ordinary tier can be characterized more as a pension applying to people who are not invalid, but still not able to obtain a position on the labour market. The highest and medium amounts of early retirement pension are payable to persons aged 18–66 if their working capacity has been reduced at least 2/3 by physical or mental disability. If the working capacity is very poor, the highest amount of early retirement pension is payable and if the working capacity has been reduced by approx. 2/3, the medium amount of early retirement pension is payable. Persons between 60–66 years of age do not qualify for the highest amount of early retirement pension. Beside the basic amount and the supplement which equal the amount of old age pension, an invalidity amount is added to the medium and highest amounts of early retirement pension and an unemployability amount is added to the highest amount of early retirement pension.

The basic amount and the pension supplement payable to persons receiving early retirement pension are always means-tested. The invalidity amount is not liable to taxation.

If a person complies with the conditions and qualifies for the medium or highest amounts of early retirement pension but does not qualify for early retirement pensions because of income, he may be granted a disability benefit instead which is not means-tested and liable to taxation, and which is the same amount as the invalidity amount.

Apart from the above mentioned amounts persons receiving early retirement pension may qualify for outside assistance and constant attendance allowances, personal supplements and housing benefits. Persons receiving early retirement pension may also qualify for a special amount of family allowance. (Social Security in the Nordic Countries, 1990).

The ordinary early retirement pension may be paid to persons aged 18–66 years provided that their working capacity has been reduced by at least 50 percent because of invalidity or if the working capacity has been reduced by at least 50 percent for reasons other than those of health and if at the same time it is deemed that there is a permanent need for maintenance.

Furthermore, ordinary early retirement pension may be paid to persons aged 50–66 for social and health reasons (including social reasons alone) and if it is deemed that the person concerned is in constant need of maintenance. (Social Security in the Nordic Countries, 1990).

Table 5.4: Persons receiving Early Retirement Pension. 1988–1992
index 1988 = 100. And numbers in 1992

	Early Retirement Pension	Highest/intermediate pension	Ordinary/increased ordinary pension	Of whom 15–49 years old
1988	100	100	100	100
1989	102	101	102	115
1990	105	103	108	135
1991	106	104	110	150
1992	109	105	113	166
numbers in 1992	256,000	154,000	99,000	18,300

Source: Ten-year Review and News from Statistical Department

As regards early retirement pension we can see from table 5.5 below that the pension equals 82 per cent of industrial wages for single men and 65 per cent for couples.

Table 5.5: Compensation level in typical cases of early retirement (Highest early retirement). 1990. Percent.

Single man	82
Couples with 2 children (6 and 9 years), both received early retirement . . .	65

Note: Early retirement pension incl. of supplementary pension in respect of industrial worker.

Source: Social Security in the Nordic Countries 1990.

5.1.4 Unemployment benefits

In principle, the unemployment benefit system in Denmark is a labour market based insurance system run by the trade unions. In reality, however, it is financed – for the most part – by the state, and therefore regulated by an overwhelming amount of specific legislation which is forcing the unemployment funds to spend an enormous work load on administration. It is a right to receive unemployment benefits provided the unemployed person lives up to a number of qualifications: it is necessary to have been a member of an unemployment fund for at least one year prior to benefit claim and it is necessary to have been working for more than half a year within the last three years in order to join the unemployment fund. Newly educated may join the insurance fund directly, and are able to receive benefits after a 30 day waiting period.

Table 5.6: Assistance in cash in events of unemployment.

Number of waiting days	None
Max. number of days of benefit	780 days in 3 years
Benefits taxable?	Yes
Child supplement?	No
Compensation level in typical cases (Benefit, net in percent of net income per day in 1990)	
Single man	75
Married man with 2 children (6 and 9 years), wife working	88

Source: Social Security in the Nordic Countries 1990.

As shown in table 5.6 the typical compensation rate is 75 percent of the wage of an industrial wage earner. The rule is that one has to have had at least 26 weeks of work within the last three years to qualify for benefits which means that one can collect benefits for two and a half years after having been laid off.

5.1.5 The job-offer scheme

In 1979 the then existing Social Democratic government inaugurated a so-called job-offer scheme which implied that the long-term unemployed were entitled to a job offer for nine months within the private or public sector after 2½ years of unemployment. The idea was to re-include people into the labour market. Employers in the private sector who accepted to take on a long-term unemployed received a supplement per hour for each person employed according to the job-offer scheme.

Throughout the 1980's it became more and more difficult to provide sufficient job offers. Because of this, the wage-subsidies to the private sector were raised. The proportion of job offers in the private sector increased from 10 per cent in 1980 to 27 per cent in 1983. However, the evaluation of the job offer scheme also showed that about 1/3 of the long-term unemployed remained in the jobs. Another 1/3 maintained to some extent a connection to the labour market after they had finished a job offer – primarily those who were offered a job in the private sector. For the rest of the participants, the advantage of the programme was first of all the qualification for another period of receiving unemployment benefits. New evaluation reports have recently confirmed this picture.

In 1985 there was a change in the job-offer scheme: In the future it would only be possible to receive one job offer, except for young unemployed under 25 years of age and elderly unemployed over 55 years of age. Instead of a second job offer the unemployed could now choose between an education offer or unemployment insurance for a period of 2 1/2 years. It is possible to receive unemployment insurance for 2 years within a period of 2 1/2 years if the unemployed chooses an education offer. The long-term unemployed can apply for an "education position", but there is no special quota in the educational system for the long-term unemployed. After 2 1/2 years of continuous unemployment, the unemployed will receive a lower unemployment benefit rate. For the next 2 years it will be 70 per cent of the normal unemployment rate and in the years to come it will be 55 per cent of the normal unemployment benefit rate. In stead of an education offer, the unemployed can choose an entrepreneur offer, if he/she wants to be self employed.

In 1988, the Job Offer and Education Offer scheme were again altered. The unskilled workers could now be offered an "education offer" after one year of unemployment, and a second job offer could now be obtained again.

Generally these changes can be regarded as positive because they indicate a change from mainly passive support of the unemployed to a more active employment policy: The 15,000 to 20,000 long-term unemployed who in January 1989 were about to lose their benefits could maintain their

connection to the labour market and keep their entitlement to unemployment benefits. Today, unemployed are entitled to 2 job offers which makes it possible to receive unemployment benefits and job offers during a 6 to 8 year period. After this period the right to unemployment insurance is lost.

With regard to making the long-term unemployed stay within the benefit system and, thus, maintaining a connection to the labour market, the job-offer-scheme has been very successful. The problem has been that the public authorities, ultimately meaning the municipalities, have had to provide a job when there was none to be found within the private sector, and the private sector has only been able to fulfil about 25 percent of the total demand for job-offers. With the majority of long-term unemployed being given a temporary job by the local authorities they had to leave the job after the seven months period in order to allow the next eligible long-term unemployed a space. Conclusively, it can be said that the job-offer-scheme has been able to circulate the long-term unemployed between employment and unemployment so that they have been able to stay eligible for benefits.

5.1.6 Voluntary early retirement pay scheme

In 1979, at the same time as the introduction of the job-offer scheme, a voluntary early retirement payment was introduced. This enables 60 to 66 year old workers to retire if they have a long labour market experience. The only, but important, qualification is that they must have been a member of an unemployment insurance fund for at least 15 years (originally 10 years). The benefits equals unemployment benefits for the first two and a half years; then they are reduced to 80 percent. In 1991 102.000 people received voluntary early retirement pension. The scheme was introduced as a way to show solidarity with younger unemployed colleagues, since they might be able to get a job when large proportions of the older workers withdrew from the labour market.

The employers, however, have never been forced to replace a person leaving a job for voluntary early retirement pension; surveys show that the average replacement rate is about 75 percent.

5.1.7 Family allowance

Within the ten-years period, 1974-1984, fewer and fewer families received ordinary family allowance, because this benefit depended on the family income. At the same time the value in terms of real income became lesser. Then for the period, 1984-1986, it was decided that all children aged 0-10 years receive a "childrens check".

In 1987 the policy was changed and a general family allowance was introduced granting all children under 18 years of age. The general family allowance replaced the "childrens check" and the ordinary family allowance.

The ordinary allowance was retained, however, for single families with children. Beside the general family allowance, ordinary child allowance is granted to children of single parents until the child reaches the age of 18. Furthermore the extra child allowance is granted if the child lives with the person having custody of the child and if that parent is single. If one of the parents of the child is dead and if both parents are pensioners, or if paternity has not been established the child will qualify for a special (increased) amount of family allowance. Where both parents are dead, the special amount of family allowance is increased.

In 1990, the general family allowance for children aged 0–3 years old was increased in relation to children above 3 years old and in 1991, the allowance was increased again, this time for children aged 0–6 years old. Now there is one rate for children aged 0–6 years old and another, lower rate for children aged 7–17 years old.

The family allowances are not means-tested and they are not liable to taxation.

5.1.8 Paternity allowance

All working women are entitled to maternity allowance four weeks from the day it is considered they will give birth. After birth the parents are entitled to all together 24 weeks of benefits. The first 14 weeks only the mother can receive the benefits; the last 10 weeks the parents may choose who should receive the paternity benefits. Furthermore, the father is always allowed two weeks of paternity benefits from the day the child has been received in the home.

The benefits equal sickness benefits. However, many collective agreements give entitlement to full salary.

There are no general rules giving parents the right to stay home and take care of sick children, but many collective agreements give one of the parents the right to stay home on the first day of the child's illness.

Parents of seriously ill children have the right to financial compensation if they are obliged to give up their work in connection with the child's illness.

5.1.9 Special regulations concerning refugees

Denmark has ratified the Geneva Convention and is, thus, obliged to grant asylum to refugees whose life is in danger in his or her home country.

Upon arrival the refugees are handed over to the Danish Refugee Council who is responsible for them during the first 18 months of their stay. During this period a fixed amount for the maintenance of the refugee is payable and

a number of integration measures are initiated. After the integration period it is up to the local authorities to see to it that the refugees are provided for under the rules laid down in the Social Assistance Act. However, the central government reimburses the expenses 100 percent incurred by the local authorities on cash assistance for the first six and a half years from the date of which the permit to stay was given. After that period the refugees are expected to be integrated and any costs on cash benefits are reimbursed under the ordinary rules by 50 percent. (Social Security in the Nordic Countries, 1990.)

5.2 Policies in specific sectors

This report concentrates on social policies and labour market policies to combat social exclusion and poverty; but in order to give an overall view of these efforts in the Danish case it is reasonable to briefly mention the existence and workings of a number of other – to a large degree public – policies.

5.2.1 Education and training

Every child has an obligation to be taught according to a curriculum decided by the Ministry of Education. In principle children in Denmark are not obliged to be taught in school; but in practice all children go to school for at least 10 years. Public schools are free of charge including materials such as books. School uniforms are not used, so all it takes to attend school is regular clothing, a school bag, pencils and the like, plus a 'lunch bag', since the Danish school system does not provide any school meals contrary to e.g. the Swedish school system.

Most children attend public school; but a strong tradition exists for private schools in Denmark, and these are being substantially supported by public funds. Up to 90 percent of the total expenditures for private schools are paid for by the public. In certain areas the percentage of children attending private schools has increased considerably during the last decade.

Within the public school system poor achievers are granted special treatment which can be viewed as an effort to try and fight early processes of social exclusion. Another attempt to combat social exclusion involving the schools is the cooperation between school, social welfare authorities and police (in Danish "the SSP-samarbejde") which exists in many regions of the country. The idea behind such a cooperation is to try and prevent petty criminal behaviour from developing into more serious forms of crime by acting earlier and coordinated. Generally, the SSP-cooperation is viewed positively; but some social workers have voiced the idea that this sort of cooperation among various public authorities is merely a tool for increased social control

of (younger) people in areas where problems, generally, stemmed from inadequate public and personal resources.

Table 5.7: Pupils distributed on Public and Private Schools in Denmark. 1986/87.

	Public	Private
Number of basic schools (1.-10. grade)	2,523	414
Number of pupils	673,829	67,679
Number of High Schools	131	16
Number of students	62,464	3,756

Source: Statistical Yearbook. 1989.

As shown above in table 5.7 about 10 percent of Danish children attend private schools for their basic education. In high school the percentage is reduced to about five, and as soon as we enter the area of higher education it is completely public and free of charge. There is, however, not free access to higher education in Denmark. Entrance is dependent upon a high school diploma, and in most cases, a high school diploma proving a high degree of performance in school, tested at examinations.

Another section of the Danish educational system is devoted to skills training which is performed in cooperation with both employers and unions. This part of the system is constantly complaining about insufficient resources, long waiting lists, etc. Yet, a few innovations are taking place within this area, the most important one being a restructuring of most of the health sector educations (except medical doctors and dentists). The new system will consist of a basic theoretical and practical training of one year which can be expanded with a number of sections of at least two years to qualify for e.g. nursing, physiotherapy, etc. But one might step out of the system for a while and work as a nursing assistant or home helper according to the number of sections completed.

5.2.2 Health sector

The primary health sector in Denmark (the general practitioners) is private in the sense that doctors run their own businesses as a petty bourgeois industry; **but** the patients do not pay for treatment and services (with a very few exceptions). So, for the individual citizen it is free to go and see the doctor and receive treatment or a referral to a specialist or a hospital. The general practitioners are paid by the counties according to tariffs negotiated between the respective organizations. The secondary health sector (hospitals) is public. Until three years ago it was not legal to run a private hospital. The

legislation has since been liberalized, and a few private hospitals are now in operation in Denmark. They only treat an insignificant fraction of the population and they cater specifically to wealthy people or people with special health insurances who want to 'jump the queue' for popular operations.

Generally, the health sector must be considered the least discriminatory part of Danish society, and it is as such, a very important element against processes of social exclusion.

In principle all working Danes are covered by cash benefit in the event of sickness and the system is administered by the municipalities. Sickness benefits are calculated as 90 percent of wages or salary up to a maximum and one can receive sickness benefits for up to two years. Some employees have negotiated full pay during periods of sickness with their employers.

Table 5.8: Sickness benefit scheme for employed persons.

Sickness benefit payable as from	First day
Max. period of benefits	52 weeks
Sickness benefit taxable?	Yes
Child supplement?	No
Compensation level in typical cases (sickness benefit, net in percent of net income per day in 1990)	
Single man	75
Married man - 2 children (6 and 9 years), wife working	88

Source: Social Security 1990.

As can be seen from table 5.8 above the typical compensation levels of sickness benefits are about two-thirds for single men, which also indirectly show that the principal compensation of 90 percent only applies to the lowest paid workers.

5.3 The Danish welfare state and the social services

5.3.1 The public social services

In comparison with the other EC-countries, the Danish welfare state is especially characterized by a large public sector in areas of social policy, health and education. Furthermore, the Danish welfare state is distinguished by the large proportion of the public expenses the services constitute.

The social services are either free for the user or strongly subsidized. The financing of these welfare goods comes in Denmark mainly from personal taxes paid to the State, counties and municipalities and commodity taxes. Contributions from the labour market play a very small role in Denmark.

The social services may, from an economic point of view, be divided into 3 main types:

- 1) the so-called free services which the individual user receives without paying, e.g. counselling and medical aid.
- 2) price reductions where the user pays a part of the expenses. This is the case with day care for children, nursery homes for the elderly and medicine and dental care.
- 3) price reductions where the user pays the normal price and then afterwards gets a subsidy as a partial compensation. This is the case with, for instance, housing benefits.

The public social services are characterized by the broad limits stipulated in the legislation for the local scope of action. The municipalities and the counties have the primary responsibility for the use of these possibilities. Thus, the municipalities and counties have an extended autonomy to decide the level and standard of the social services. Therefore, the services do vary quite a bit from one municipality to another.

Seen in a European context, the special feature of Danish social policy is the strong emphasis on society's responsibility for solving social problems. As a consequence of this, the public sector has been given the primary role in the regulation and the fulfilment of the social services. The regulations are exercised in a decentralized system where by far the main part of the tasks are performed by the municipalities. The voluntary social organizations have played a small, although important role in Denmark in comparison with other European countries. But in the latest decade, a growing interest has arisen on the part of the public sector to involve and cooperate with the voluntary social organizations and other private actors; exemplified for instance by the setting up of a National Committee on Voluntary Effort in 1983 by the Ministry of Social Affairs.

The public social services in Denmark may be classified in several main categories, forms of institutions, and types of services given to the individual user. Of these, the institutions constitute by far the largest part, both when estimated in terms of expenditure and in terms of manpower.

The advantage of the public social institutions is that the public sector itself can secure that the services match the requirements in the legislation. The disadvantage of putting emphasis on institutions may be an organization of the social services in the form of standard solutions which do not take into consideration sufficiently for the individual needs and wishes of the users.

In recent years, efforts have been made to "soften" the social institutions by giving them the possibility of differentiating their services. For instance, many social institutions have become more independent and have got a framework economy.

In the area of the elderly, a number of places in nursing homes have been shut down, and instead the emphasis has been put on keeping the elderly in their own homes by increasing the services of home help, visiting nurses and day care centres. In addition, the new Housing for the Elderly Act has involved the building of various dwellings for the elderly which to a larger extent are adapted to the different states of health among the elderly. Furthermore small communes for treatment of the disabled have been established where the disabled have to take care of themselves with a minimum of help; and also family care for the distressed children and adolescents has been developed instead of placing them in institutions. On the whole, there are many examples these years of a movement away from the big institutions and in the direction of small institutions and individual solutions.

This deinstitutionalization has, however, been criticized quite a lot. The critique, among other things, mentions that the help services have not been sufficiently developed before the places in the institutions were shut down. The consequence is that the social service deteriorates. Furthermore, the critique has pointed to the social isolation of the clients when they have moved out of the institutions, because they often have problems with their mobility.

5.3.2 The administration of the public social services

The legal basis of the public social services is, almost exclusively, stipulated in the Social Assistance Act. In this Act it is stipulated which social services are offered to the citizens, and which agencies have the responsibility for these. The Ministry of Social Affairs draw up the statutory instructions and circulars which determine the more specific interpretation of the Act.

The predominant principle is that the municipalities administer the social services. This is the case with all the major areas of service, e.g. day care for children, care of the elderly, counselling, preventive hygiene, and technical aids for the disabled. Furthermore, a number of the smaller tasks are administered by the counties, e.g. resident institutions for children and adolescents and disabled grown-ups, rehabilitation centres and centres for technical aids.

The liberty of local and regional authorities is extensive as detailed demands to the extent and nature of the social services are seldom stipulated in the Act. The standard formulation in the Act is that the municipality or the county is obliged to provide the "necessary" or the "sufficient" number of places in day cares and in nursing homes, or that the municipality is obliged to establish a home help service. Then, it is largely up to the specific municipalities or counties to assess the number of places which are necessary or sufficient.

The liberty of the municipalities and the counties is also extensive with regard to deciding in which way the social services should be carried out. Day care for children may be implemented in various ways, e.g. at an institution or in family care in a private home. The same is true in relation to the elderly where the municipalities may choose between a wide range of dwellings and nursing arrangements for the elderly.

Concurrent with the fact that the liberty of the municipalities and the counties is extensive, it is also these agencies which finance the main part of the social services. The financing comes almost exclusively from the municipal and county taxes on personal income and on land. However, the arrangements for the equalization between the units of local government seek to diminish the differences of income and need for expenses.

The extensive liberty of municipalities and counties means that there are great variations in the quality of the social services in different parts of the country. Citizens with identical needs risk getting a different treatment depending on where they live. This is to a large extent up to the politicians in the various municipalities and counties.

On the whole, it may be said that the public social services to a high extent are decentralized as the municipalities and the counties generally finance the social services and decide on the content of them. The Social Assistance Act serves as an umbrella of the social area, but the Act is however characterized by being a framework law containing many vague formulations on social services.

Table 5.9: Public social services: expenditure, number of employees and number of users/clients. 1990.

	Expenditure Mill.DKK	Number of employees	Users/ clients
Institutions:	30.982	182.369	485.944
For children and adolescents	14.189	89.416	352.003
For the elderly	12.514	71.253	105.714
For the disabled	4.279	19.463	23.339
Other institutions. . . . .	.	2.237	4.888
Help and assistance	7.137	37.973	160.233
Home help	5.734	35.416	160.233
Other forms of help	1.403	2.557	.
Health services:	10.424	12.398	.
Sickness benefits	6.923	.	.
Prevention	1.811	12.398	.
Other health services	1.690	.	.
Other services	1.180	.	.
Social services, total	49.723	232.740	

Source: Danmarks Statistik: Statistiske Efterretninger, Social sikring og retsvæsen, 1991:21 og 1991:7.

Approximately 60% of the expenses for the public social services are for the running of institutions, while approximately 20% are used in the area of health (excl. the hospital system), and approximately 15% is used for help and assistance. The largest entries are the institutions for children and adolescents and the elderly which each represent 25–30% of the expenses.

Almost 80% of the people employed in the social services are employed at an institution, while 15% are employed as home helpers. The people employed in the social services constitute the major part of all public employees – approx. 30%, whereof the main part are women.

Almost 500,000 users or clients benefit from the institutional services. Besides that, 160,000 families with elderly or disabled persons are granted permanent home help. However, children in particular receive the institutional services as approx. 350,000 children are looked after at day care institutions or in family day cares – that is 72% of all users of institutions.

The second largest group of users is the elderly, of which approx. 105,000 are in an institution.

5.4 Social services for the poor and the socially disabled

5.4.1 The poor and the socially disabled

In the 1980s a comprehensive poverty debate took place in Denmark bringing the conditions of and the need for help, support and care for those worst situated in society into focus.

In the first report on poverty from the National Institute of Social Research, "The Poorest in Denmark" (1987), the situation of the poorest groups was characterized by absolute as well as relative poverty features. (Hansen, 1987) Characteristic of the groups marked by **absolute poverty features** is that they have for many years been excluded from the labour market or never been part of the labour market at all. They are persons who own almost no material goods, who are often homeless, and who in many cases suffer from mental diseases or are physically broken down because of prolonged abuse. These people are in great human, social, and economic distress.

Characteristic of the groups marked by **relative poverty features** is that they are integrated in society, but that they have been excluded from the labour market for a long time or have a fragile attachment to the labour market. Their economy is scarce which excludes them from the benefits and activities which generally ought to be obtainable for everyone in a welfare society.

In the report from the National Institute of Social Research the number of absolutely poor was estimated to be 30,000 persons at the age 18-67.

In 1992 the National Institute of Social Research presented a new report concerning the groups in absolute poverty, but now called "The Socially excluded" (Friedberg, 1992). This report stresses that the situation of the most vulnerable groups of clients/patients appears to have deteriorated, and that there is a growing number of problems in relation to the so-called "multi-problems" groups. The report estimates the number of the socially excluded to be approximately 40.000.

Between 13.000 and 14.000 people are homeless. Half of these people live in Copenhagen. One in eleven homeless is between 18 to 24 years of age. In 1988 there were 25.000 registrations at shelters, welfare homes and boarding houses.

The number of drug addicts is estimated to be 10.000. This number has been increasing – particularly the number of multiple drug addicts.

Annually 35.000 people are admitted to psychiatric institutions and it is estimated that approximately 18.000 yearly have contact with treatment facilities for alcoholics.

The socially excluded groups have become more visible and policies to combat social exclusion have been intensified.

The services for the poor and the socially disabled mentioned in this section are primarily the services for the groups with absolute poverty features or the socially excluded, as they are defined in the latest report.

5.4.2 The services for the poor

The majority of the poorest or socially excluded are granted social assistance or early retirement pension to support themselves. Naturally, these people are covered by the ordinary provisions in the legislation concerning a, for instance rehabilitation and job offers. Furthermore, a number of services (especially institutions) are concerned exclusively with these poorest groups.

A large part of the effort towards the poorest is taken care of by private institutions and organizations and private foundations. A number of these organizations help by handing out free or cheap meals and clothes, providing shelter etc., but they also take care of social needs in a more general sense. Thus, in the last decade, across the country, emergency hostels for homeless have been established and day shelters have opened, where people may stay in the day hours (and for some few places in the night hours, as well) and, for instance, play cards, take a bath and have some coffee and a sandwich.

The institutions servicing the poor are under the Social Assistance Act.

5.4.3 Interim accommodations for families

Local authorities are obliged by law to offer shelter to homeless families with children. Certain local authorities do actually have special buildings to solve this particular problem, however often of a very poor quality. Such a "ghetto" concentrates all kinds of social problems, and the area runs the risk of being stigmatized.

Other local authorities prefer to accommodate homeless families at hotels, private homes etc. However, this is usually an expensive and unsatisfactory solution. Temporary accommodation ought always to give the family the opportunity of making their own meals, provide the parents and children with separate bedrooms, and allow them access to a toilet and bathroom.

A certain number of institutions for the homeless are specifically for families, in particular single mothers with children. Some consist of individual flats. Others offer private family rooms while the kitchen and bathroom are shared. Although institutions vary greatly in lay-out, size and staff policy, attempts are made to clarify the predicament of each family. Advice is given, and projects are proposed. The relationship between the family members is discussed, along with their educational background and employment situation. Generally speaking, these institutions represent a very practical offer of assistance to those for whom homelessness implies more than just loss of their home. However, families are sometimes forced into these institutions because it is the cheapest solution for the local authorities.

In recent years, crisis centres have been upgraded to the status of institutions for the homeless. They help women, or mothers and their children, who have left home as a result of being subjected to violence, threats etc. Here, they can benefit from temporary accommodation, and receive help to alleviate the problems affecting them. Solutions might take the form of divorce proceedings, educational possibilities or a new home etc. Yet, several of them choose to return home, although conditions have not changed.

In order to protect children, institutions which help homeless families rarely admit alcoholics or drug addicts. In such circumstances, the local authorities normally send the children to another institution or put them in family care, while the parents must seek help at an institution for the homeless.

5.4.4 Rules applying to institutions for the homeless

As families have the right to a home, local authorities are obliged by law to establish institutions for homeless individuals and the socially deprived. Every county (in this respect including the City of Copenhagen and the Municipality of Frederiksberg) has to guarantee that there is enough room at reception centres and other institutions for the homeless or for those who can not cope with the demands of every day life.

Receptions centres and similar institutions may be established and run by one or several county authorities, or else by privately-run institutions which make agreements with the counties. The management of the institution decides whether a homeless person may be allowed to stay. However, it cannot refuse offering accommodation, unless it is able to point to a more satisfactory solution such as another institution.

There are three main categories of institutions for the homeless:

Shelters: These offer temporary sleeping quarters for a cheap daily fee. The old hostels of Copenhagen are very large. They are manned by a small staff

which has to deal with a disproportionately large number of clients. Normally, these shelters are closed for several hours during the daytime.

Reception Centres: Among other services, these offer the possibility of stays of a longer duration. A broad range of services include: treatment for alcoholism or drug abuse, medical care by doctors and nurses, meals, clothing and washing facilities.

Both shelters and reception centres are open to the homeless who come in from the street. The management is not allowed to refuse a client unless it is able to advise another form of suitable help. During the winter of 1990/91, the reception centre at Sundholm, Copenhagen, was put under enormous, constant strain.

Protected Boarding Houses: These are smaller institutions whose function it is to rehabilitate the homeless through board, lodging and job training. In order to qualify as residents, the homeless must be sent officially by either the local authority, the social security office or an emergency centre.

Apart from these three main types of institutions, there are others less common such as special rehabilitation centres and special reception hostels.

5.4.5 The services carried out by the private relief organizations

A large part of the services for the poorest groups with the absolute poverty features are delivered by the private relief organizations and institutions organized as private foundations. Typically, they are national organizations like the Salvation Army, the Church Army and the Social Work of the YWCA. Furthermore, the Christian Students' Settlement, the Mission among the Homeless and the Kofoed school may be mentioned.

Characteristic of the social work of these organizations is that it is directed towards the weakest in society, and the character of their relief work and their services reflects that the intention is primarily to relieve the needs of people in economic and social distress.

The traditional areas of work of these private relief organizations are the social work in the cities. By work in the cities is meant relief work done in Copenhagen and other large cities. This work is directed towards financial and human needs and include aid in the form of money and provisions, handings out at Christmas, summer and winter camps, counselling, recycling stores, and visiting services. In connection with the work in the cities, social work in the form of hostels, day hostels, institutions, family centres, and treatment of alcoholics and drug addicts is performed. The demarcation line between the work in the cities and the social work is, of course, vague, but

it does say something about the concentration of the problems, i.e. in the capital and the other large cities.

The above-mentioned shelters, reception centres and boarding houses are administered by the private relief organizations and to a large degree financed by the public sector, especially through agreements with the county or the municipality or by user-payment. Furthermore, they deliver a number of services, which will be discussed briefly below.

A number of organizations have established **recycling shops** across the country. They have been established with the aim of collecting money and giving people who are embarrassed to ask for clothes the opportunity to buy them cheaply. However, the shops also function as an access for people who need help as many of the customers relate their problems and are offered advice.

In almost every larger city, the different organizations **hand out** free clothes and food. Furniture and other household goods are handed out for free in some cities, but far from all. Furthermore, at Christmas special hand-outs of food, money and toys take place. The Christmas hand-outs are given mostly to families with children.

One of the oldest activities for many of the private relief organizations is the establishment of **day hostels** in the cities across the country. In the day hostels human contact and coffee and tea and usually something to eat is offered. Some day hostels receive food as a gift from supermarkets.

In some of the day hostels, there are attempts to involve the users in the work. They may help with cleaning, cooking or repairing and painting the hostels. In some of the day hostels, former users work as volunteers. In connection with the visit to the day hostel some of the users are given counsel about their personal problems, others come to get a bath or get their clothes washed. Furthermore, many day hostels arrange summer and winter camps.

The day hostels thus help people in several different ways, but the most important thing is that the users have a place where they can come and be together with others, have a meal and something to drink and feel accepted. For the lonely, the homeless and persons with run-down flats, the day hostels almost function as a home.

5.5 Legislation and initiatives in social and labour market policy

5.5.1 Activization

The Danish Welfare model is in the middle of a transitional period; especially concerning social and labour market policy. The codeword for the reorganization of social and labour market policies is activization, i.e. an attempt to change social and labour market policy from being passive (transfer orientated) to being active (employment or activity orientated).

The growing interest in this subject must be seen in the light of the growth in the eighties of the number of people of working age on long-term or permanent social benefits, and the fact that unemployment grew again after 1998 and since has stabilized at a very high level. The discussion concerning the reorganization of social and labour market policies from being passive to active is not a new one, but it is only now that the shift is being dealt with by concrete political propositions.

During the past year a number of initiatives have been taken in the social and labour market policy area. Many of the new initiatives aim at integrating excluded groups into the labour market. An activization agreement was implemented in april 1992, a "Social Commission" was appointed, publishing June 1992 its proposal for the elimination of youth unemployment. Finally the so called "Zeuthen Committee" was also appointed with the task of suggesting a reform of the financing and the administration of the unemployment insurance scheme and structural problems on the labour market. The Zeuthen Committee made public their proposals in the beginning of july 1992.

5.5.2 The activization agreement

The Activization Agreement was approved by a large majority of the Danish Parliament in June 1992. The agreement is a mixture, illustrating the new shift referred to earlier and one which characteries the new trend in social and labour market policies at this time. The agreement contains the following elements:

- a. Special efforts to get young unemployed people on social assistance back into the labour force, and lower benefits/wages to young people out of work and on employment programmes. In short: better integration possibilities, but less money.
- b. Better opportunities for the unemployed to be employed within the public sector, for instance in kindergardens and institutions that care for the elderly, disabled etc., but not at award rate wages.

- c. Measures that improve the distribution of existing work by increasing the rotation possibilities between the employed and the unemployed, e.g. ccreating better leave possibilities for parents with young children (the problem of parents not having enough time with their young children has long been a subject of political discussion).

The Activization agreement includes the following elements:

Initiatives concerning youth unemployment:

- Every unemployed young person under 25 years of age on social assistance is entitled to an employment offer 14 days after registering at the Employment Office. Previously only the 18 to 20 years old had this entitlement (The Youth Allowance Programme). If the offer is refused then the young person loses the right to social assistance. The wage must never be higher than the social assistance.
- Every unemployed young person under 25 years of age who formerly have been on the labour market and qualified for the right to unemployment insurance benefits through membership of an unemployment fund (the law now stipulates that a person has to have been employed for minimum 6 months and to have contributed for minimum 12 months to an unemployment fund to qualify for an unemployment benefit) gets a job offer after 6 months. Acceptance is voluntary. They must work for 30 hours a week and the wages must as a minimum equal the unemployment benefit.
- Young people receiving social assistance, may in a period of up to 5 months be offered "youth traineeship" as an assistant to a full time public servant. The wage will, until 1st of april 1993, be the same as that applicable on municipal employment projects for social assistance recipients.

New employment offers:

- Some of the new employment offers are given as part of a pilot scheme, which will run until january 1994, called a "local/regional-level service function". The service function employs unemployed social assistance recipients and supplies different services to pensioners etc. The local government is responsible for the service function.
- Increased employment in child day care and in care for the elderly. Municipalities may use unemployment benefits as wages for unemployed kindergarten teachers and home helpers - up to january 1994. The municipalities must employ these people on a minimum 30 hours a week at award wages.

- "Free trade zones" in particular geographic areas are implemented on an experimental basis. The experiment implies dispensation from present legislation concerning holidays, working hours, employment rules and closing times.
- Wage supplement arrangement: people who have been unemployed for more than 6 months can obtain a wage supplement (where the employer is refunded part of the wage – often more than half) on the condition that they obtain a job offer in the private sector.
- The introduction of a 2 week trial period, where unemployment insurance is paid, in connection with a job offer in the private sector. The employer may then decide whether the unemployed can continue working for the firm or not.

Rotation possibilities

- parents with young children (up to 8 years old) who wish to spend more time with their children can have a temporary leave (from 13 to 36 weeks) on the condition that the vacancy is filled by someone who is unemployed and qualified for the right to unemployment insurance . The parent gets in the leave period 80 % of the maximal unemployment insurance benefit.
- All wage earners in the private sector who wish to attend further education may in agreement with the employer attend any education in a period from 4 to 36 weeks on the condition that the employer take on someone who is unemployed and qualified for the right to unemployment insurance benefit. The wage earner has to be employed at least 26 weeks by the employer and receives full wage in the education period. The unemployed receives award wage.
- All wage earners in the private and public sector who wish to attend further education may in agreement with the employer attend any education in a period from 4 to 36 weeks. The conditions for the wage earner are that he/she has had 7 years of employment within the last 10 years, 7 years of membership of an unemployment fund and at least one year of employment for the present employer. The employer receives a contribution of 80 % of the maximal unemployment insurance benefit and has to take on someone who is unemployed and qualified for the right to unemployment insurance benefit. It is not obligatory that the wage earner gets a full wage, but the unemployed has to get an award wage.

The Activation agreement was approved by a large majority in the Danish parliament in June 1992 and the Ministry of Finance had very positive

expectations as to the agreement. The total agreement should affect approx. 68.000 people in 1992 and 129.000 in 1993 and the consequences for the employment situation should have been 24.000 full-time employees in 1992 and 58.000 in 1993.

The expectations of possibilities in the rotation schemes were very positive. The rotation possibilities were expected alone to affect approx. 28.000 people in 1992 and 50.000 in 1993 and to affect the employment situation by approx. 12.000 full-time employees in 1992 and 29.000 full-time employees in 1993.

Although it is very early to evaluate the activization agreement, there are some figures for the rotation schemes in 1992, from which something can be said about their shortrange effect. For 1992 the expectations have not been met. By the end of the year 1992 the three rotation schemes showed a much lower effect. Only about 2.000 persons were involved in the different rotation schemes.

5.5.3 The "Social Commission"

The "Social Commission" was given the task of "... putting forward a proposal on how to utilize better the economic and human resources available, and how the activization process could best be supported via the social system".

The Commission was asked to illuminate the composition of the recipient group of each cash benefit, as well as how recipients' dependence on cash benefits changed over time. The analysis was also to show which persons stay within the benefit system and which persons only receive cash benefits for a short period. The Commission moreover was to analyse the levels of cash benefits and evaluate recipients' motivation to leave the benefit system and enter the labour market. On the basis of it's analyses, the Commission was to consider and may be propose changes in the cash benefit system.

During 1992 the Social Commission first of all has presented a number of analyses concerning the educational and employment conditions of young people. In June, the Commission published a report with its proposal on youth unemployment. In november the Social Commission reported on the employment conditions of people in the working age – between 25–60 of age. Later the Social Commission will put focus on the people above 60 years old.

The report of the Social Commission about the young show that 75% of young people of a particular age group, receive unemployment insurance benefit or social assistance at least once before they turn 26 years of age. From the viewpoint of marginalization, the important factor is how many

receive benefits over an extended period of time. The figures show that approx. 30 % of those under 26 years of age in the period 1981–89 only received benefits for 3 months, and 60 % received benefits for up to one year. Those hardest hit are the 15 % of a particular age group who received unemployment insurance benefit or social assistance for more than 2 years in the period 1981–89.

At the same time the Commission points out three alarming facts: Only two out of three young people get an education, the unemployment rate among young people is in fact 20 % (half of the 15–24 years old will lose their job for a shorter or longer period in the course of one year, most of them being women) and parents pass on a social heritage of lack of education and dependence on social benefits to their children.

The Social Commission recommends a series of general measures to activate and integrate young people into the labour market: education, vocational training, reduced unemployment benefits and an introductory wage. The recommendation has two main parts: One part contains the view that young unemployed people should not have as easy access to income-transfer as presently and the second contains a number of improvements in relation to education and employment offers.

The first part contains proposals of changing benefits for young people (under 25 years of age):

- It should take longer for young people to be entitled to unemployment insurance benefit. Those without any education and less than 2 years work experience should no longer be entitled to benefits, and those with an education and belonging to an unemployment fund, should have to work for at least one year (presently only 6 months), to be entitled to unemployment insurance benefit. Furthermore participation in activization and employment projects should no longer count as time which contributes to entitlement for unemployment benefits.
- A new lower unemployment benefit ("entrance level benefit"), which is taxable for those with an education, membership of an unemployment fund and less than one year of practical experience. The "entrance level" benefit should only be obtainable for 6 months by young people under 21 years of age, after which they have to accept an activization offer.
- Lower wages when participating in activization offers within the public sector. "Job offers" within the private sector should continue to be paid according to award rates. The "starting up" benefit should correspond to the lowest apprentice wage. Municipalities should have the main

responsibility to activate young people not normally entitled to unemployment insurance.

- Sickness benefit and rehabilitation benefit should be lowered to a level corresponding to the "entrance level" benefit given to young people with little work experience.

The second part contains new educational and job offers schemes:

- Better educational and occupational guidance. The municipalities should be solely responsible.
- The educational wishes of young people should be realized within a 3 year period, with free entrance to any further education.
- A guarantee of practical work experience in connection with an occupational education
- New education arrangements for young people who are tired of the school; called "Basis Occupation Education". An education combining practical and theoretical elements, specially targeted towards school-drop-outs and other vulnerable groups.
- New offers of full-time employment to all young unemployed.

The proposals from the Commission are on one hand a move away from the assumptions of the 1980s that stimulating the private sector of the economy in itself is enough to safeguard the weakest of young people in the society against marginalization. The proposals thus give employers a societal responsibility for the integration of new generations into the labour market – a responsibility that many employers view with scepticism and even resistance. At the same time, the proposals contain a qualitative new and ambitious attempt to reform and expand the educational system so that young people who are marginalized in the present education system get new opportunities. On the other hand, the proposals contain a significant tightening of the access to transfer incomes, and a reduction in the level of these for young unemployed. This corresponds very closely to the main principles and philosophy behind the activation agreement.

The Social Commission expects that the implementation of their proposals would result in the diminishing by 50 % of youth unemployment during the next 5–6 years (from the present number of approx. 54.000 to approx. 22.000 full time unemployed).

5.5.4 The "Zeuthen-Committee"

The task of the "Zeuthen Committee was "to create a cohesive base for decision making, to eliminate structural problems on the labour market, create a more effective policy against unemployment and to avoid as many as possible of the adverse effects of unemployment".

The Zeuthen Committee has primarily analyzed two questions. Firstly the question of a new model for the financing of unemployment insurance benefits and secondly the question of how the activization effort for the unemployed can be improved.

A new financing model

The most important part of the task of the Zeuthen Committee has been to suggest new ways of financing the unemployment insurance benefit system – especially with respect to reducing the contribution of the State to the system. Presently the State finances 2/3 of the costs of the unemployment benefit system.

The report from the Committee states that the present financing system has not eroded the competitive power in Denmark in relation to other countries such as Germany and Sweden, where the public sector pays a much smaller proportion of the total unemployment payment expenditure.

Even though the Zeuthen Committee states that the present financing model has not had the expected negative effects on the competitive power, then the Committee does suggest a changed financing model. The argument is that a changed model will make visible the cost of unemployment, and improve the taxation structure.

The Zeuthen Committee could not reach an agreement on a new financing model for the unemployment system. The Committee reached a decision to recommend a model, where unemployment benefits are financed by uniform, obligatory contributions paid by all employers and employees. But the Committee could not reach an agreement on how the partners were to share the financial costs.

It is most likely that the model for restructuring the financing system will contain a three part financing of the unemployment costs. But how the break down of financing is to be between the State, employers and employees will probably be the most difficult factor in the negotiations.

Improving the activization effort

The Zeuthen Committee also looked at changes in the activization efforts. The Committee states that the primary goal of the activization effort should be to create a greater harmony between the supply and demand for work, so

that as many as possible of the unemployed are able to find permanent employment under normal conditions. The main question has been whether the present employment and education schemes reduce unemployment or only ensure that the unemployed retain their right to unemployment insurance benefit.

The Committee points out that an improvement of the qualifications of the unemployed can be strengthened by a more flexible activation effort. In this way there was a general on the need to strengthen the activation effort. The Committee had several recommendations:

- that after 3 months of unemployment an individual plan of action must be put into effect, so that the unemployed person returns as quickly as possible to regular/ normal employment.
- the activation effort must be "tailor-made" according to the individual wishes and needs of the unemployed and less according to the demands of present legislation.
- the offers of employment and education have to be offered more quickly during the period of unemployment – especially for those without an education or qualifications, and groups with high levels of unemployment. Because of this it is expected that private employers will become more willing to absorb the unemployed labour that is available.
- job-rotation is to be promoted.

The Zeuthen Committee asks for greater regional flexibility in general to lower the unemployment. It is suggested that 14 regional labour market advisory boards be formed, where municipalities and counties work together, with the partners of the labour market. The yearly budget must contain a framework for allocations to activation (education, employment, guidance) which is to be distributed among these 14 advisory boards.

In connection with the financing problem the Zeuthen Committee also looked at the question about regaining the right to unemployment insurance benefit. If the right to unemployment insurance is lost in connection with a job offer, the long-term unemployed are at a greater risk than presently to be excluded from the unemployment insurance benefit scheme. Two possibilities are discussed. One is to increase the maximum payment period for benefits from the present 2 1/2 years (if one does not accept a "job offer"), and the second is to create new benefits – 80% of the existing maximum unemployment benefit – for those who lose the right to the regular unemployment insurance benefit.

Presently the labour market partners cannot agree on any of these models, and together with the question of a changed financing model for unemployment benefits this question will certainly be a point of contention which will appear during future negotiations concerning the "structural problems of the labour market".

5.6 Support to development projects in the local community as a strategy to improve the Danish social political model

The social policies of the 1980s were influenced by the plans of the Conservative-Liberal minority Government concerning a modernization of the public sector. The main objective was to make the public sector more efficient and cheaper, among other things through a reform of the State budget system, an increased use of new technology, and campaigns for better service for the public.

In the social area, the policy of modernization was called *social reorganization*. The process of reorganization primarily involved the social services and the main principle was that the reorganization should result in better ways of solving the tasks on the basis of a given amount of resources. The means to this end were, among other things, to incorporate the social networks of the citizens in the social work, to involve the private and voluntary organizations, plus to change the functioning of the social institutions so they could become a more active element in the neighbourhood. An essential way to promote the process of reorganization was to support social experiments and development projects.

In the 1980s, giving support to development projects in the local community became a still more propagated State method to create reorganization and renewal in the ways the tasks were solved in the different sectors. Actually, Denmark has in the last decade experienced a veritable gemmation in the orientation of the different sectors towards the local community. The 1980s can thus, in this respect, be characterized as the decade of the State development programmes.

A broad spectre of ministries have administered – and to some degree still do – support arrangements for local communities in the form of development funds.

5.6.1 The Social Development Programme

One of the most comprehensive has been the Development Fund of the Ministry of Social Affairs (SUM), established on basis of the Social Development Programme passed by the Parliament in June 1988. The SUM-

programme has, with a grant of 350 mill. DKK in the period 1988–91, supported approx. 2000 local projects in all areas of the social services.

The orientation of the State towards the local communities is clearly expressed in the parliamentary formulation of the SUM-programme. The general aim of the programme is to strengthen the local initiative and promote reorganization and social prevention. The primary method for creating social development is support to the local development projects. The central characteristic of the SUM-programme (and other State development programmes, by the way) is precisely that it supports projects wherein groups of citizens, associations, organizations, personnel from institutions and the administration, politicians etc. can deal, concretely and at the same time in an untraditional way, with the solving of the grave social problems in the modern society. The quality of the project-method is that it bases itself on smaller, well-planned units which the citizens have the possibility of engaging themselves in.

The developmental perspective of the SUM-programme can be specified through a description of the main objectives:

- a strengthening of the local solidarity and an undermining of the generation gap plus cooperation across sector, administration and professional boundaries, including the coordination of private and public assistance; i.e. an objective concerning **increased social and system integration.**
- the creation of better conditions for people's participation in the processes of decision-making that effect their everyday lives; i.e. an objective concerning **the extension of self-government and democracy through participation, decentralization and qualification (educational initiatives etc.)**
- the economic binding-together of existing resources in new ways; i.e. an objective concerning **a more efficient use of resources.**

The objective concerning increased social and system integration deals with the question: What can be done about the division of modern society? This division is, among other things, the opposition between the generations, the lack of identification with the local area one inhabits, the division between those on the labour market and those outside, sectorization of the public administration, and the opposition between citizens/associations and the authorities.

The solution-models can be classified under the slogan "cooperation across barriers". Three main forms of cooperation can be identified as:

1. cooperation in the informal sector (civil society), for instance between generations, associations and tenants groups (social integration);
2. cooperation in the public sector between professional groups and sectors of the administration (system integration);
3. cooperation between the informal sector and the public sector with the aim of developing **local partnerships** (coordinated social and system integration).

It is especially the last form of cooperation that contains perspectives for the development of the Danish social political model as it implies that actors in the informal sector get influence and obligations concerning the planning and/or the delivery of the traditionally solely publicly organized social services. This form of cooperation is connected to the objective of extending self-government and democracy through participation, decentralization and qualification that is related to another of the fundamental problems of modern society: How can the popular involvement in the solution of social problems be strengthened along with the citizen's own ability to create solutions? The background of the question is the rising dissatisfaction with the institutionalized and professionalised solutions to social problems.

The third objective concerning a more efficient use of resources relates to the squeeze resource in the public sector. Hereby we mean that there are both demands for better quality in the public services and demands for non-growth or cut-backs in the public expenditure. The key concepts here are a coordinated use of resources and an incorporation of informal resources in the solving of the tasks.

To sum up: the SUM-programme generally supports **the creation of a connection between decentralization to the local communities and local community development**. The point is to strengthen the ability of the local communities to prevent and handle social problems by engaging local public and private actors in a cooperation where the private actors are given influence and responsibility – *but retaining the general social political responsibility of the public sector*.

The SUM-programme is, thus, **not** a programme of privatization as it is based on the fundamental principle of the Danish (and Nordic) welfare model: **that it is a societal responsibility to solve social problems**. The Social Development Programme can be seen as an attempt on the part of the central decision-makers to make a contribution to the development of the Danish welfare model where the intention is to support local ways of developing qualitatively new forms of social work instead of initiating standardized social reforms.

The SUM-programme, thus, reflects a departure from the Danish welfare state model, based on the assumption that the public sector is solely responsible for taking care of the problems of the citizens, an assumption which has led to the massive expansion of the public sector, towards a more flexible pluralistic welfare model. In the pluralistic welfare model there is opened for a freer combination of interplay between the market, the State and the civil society. The importance of the involvement of market- and civil society-based solutions are stressed as complementary or supplementary to the public solutions.

This development must be seen in connection with another general social political tendency in Denmark; namely the shift from a passive cash benefit line to an active service-based line with more weight on educational and occupational initiatives in relation to the labour market.

5.6.2 The programme "Everybody is needed"

The initiatives of the programme was taken by the Ministry of Social affairs and it's objective was to strengthen the activization effort for unemployed and others social security recipients (early retirement pensions) in the municipalities.

The programme states two main reasons why it is necessary to break with those elements in the labour market and social policy that lead to passive support:

- **out of consideration for the individual:** a person who receives passive support often feels isolated from the rest of society. The feeling of being excluded and useless is demoralizing for the desire to make an effort. This leads to social problems on top of those which lead to the support-situation.
- **out of consideration for society and the economy:** the growth of the transfer incomes is in itself a major economic problem. Furthermore, a rising amount of resources is needed to relieve the many social problems which are a consequence of the passive support. On the other hand, a utilization of the many human resources that today are supported passively will strengthen society both in an economic and a humane way.

Seven municipalities participate in the programme which is supported by the SUM-fund. The seven municipalities have approached the problem of social exclusion and passive support in very different ways. One municipality has started a cooperation with the business community and the labour organizations in a "Business House". The principle is here that if the problem is "only" lack of work then there is no reason why the afflicted individual should be treated like a social client and he/she therefore immediately receives a job or an offer of education. In another municipality the project

is part of a comprehensive restructuring of the social administration – not only of the organization but also of the administration's view of the social clients. Thirdly, a group of smaller municipalities have established a "Help Service" that mediates help from unemployed people to the elderly, the sick and the disabled and also mediates voluntary work to associations and organizations.

The programme "Everybody is needed" is, albeit tacitly, based on the recognition that full employment was a very limited historical phenomenon in Denmark. On the other hand, there is a massive need for social services because of the before-mentioned weak family structure. This means that it has become necessary to find alternative ways of dealing with this care-problem other than expanding the public services or sending the women back to the homes. The establishment of an informal, alternative labour market is one of these alternative ways.

5.6.3 Other funds to support local projects

The Ministry of Social Affairs also manages a fund, called the AKTIV-fund, for projects having the aim of activating the long-term unemployed between 20–30 years, with special consideration for the women. The key words are: development of social networks, greater self-confidence for the individual, motivation and job-training. Presently, the fund is granted 25 million DKK a year.

Another major fund is what was formerly called the poverty fund (FAM). Now it is called the fund for the development of voluntary social work (PUF). This fund has been established to give support to the voluntary social work in Denmark and is a financial expression of the before-mentioned growing public interest in cooperation with the voluntary organizations which has led to the setting up of the National Committee on Volunteer Effort. The policy is, therefore, that public initiatives cannot receive grants from this fund. The present grant to the fund is 50 mill. DKK a year.

5.6.4 A problematization of the social developmental strategy

The key-words in the developmental strategy for the Danish welfare model are decentralization, local community development and activation. These objectives are, of course, not without certain side-effects that have to be dealt with consciously if the general strategic objectives are to be accomplished.

The process of decentralization is based on the positive idea that decisions should be taken and services delivered as closely as possible to the individual citizen who is hereby ensured the greatest possible influence on these matters and the most flexible service rendered. On the other hand, decentralization has resulted in, sometimes unacceptable, differences in the

municipal level of service. It can be difficult to understand why, for instance, in some parts of the country the elderly can receive proper services while in other parts very poor services are rendered (relatively spoken, of course). This problem has brought about a discussion of minimum standards and minimum rights for the citizens and the Social Democrats have formulated a proposition on the subject.

The strategy for cooperation between the public sector and the voluntary social organizations and the associations of the civil society is also not without problems. Firstly, there is a great difference between the organizational culture of the public sector and the voluntary sector – between the system–culture and the project–culture. Secondly, the voluntary organizations are financially becoming more and more dependent on grants from the State and subsidies from the municipalities. Thirdly, there is a tendency for municipalities to renounce their responsibility for solving the heavy social problems because they can refer these to the voluntary organizations – who on the other hand by no means have the capacity to take care of these problems.

Furthermore, the "active line" can be questioned by the fact that it limits the access of the worst afflicted social clients to social benefits because they cannot take on a job or an offer of education. The "active line" is an excellent idea for the many whose primary problem is unemployment but maybe not such a good idea for the minority with the heavy social problems.

These problematizations should not, however, overshadow the positive ideas of the development strategy for the supply of social services. The strategy will, if followed up, almost certainly lead to more flexible models of how to plan, control and deliver social services, increase the amount of services, and at the same time target the services more directly to the afflicted groups. The reorganization of the social services, thus, means more numerous and more targeted social services, and a departure from the idea that everyone should receive a uniform treatment. The Danish social political model will probably not become less expensive. Even if the voluntary organizations do to a higher extent take over the fulfilment of social services, they will be fundamentally dependent on the financing from the public sector as the Danish tax–system is organized at the present time.

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