The Danish Welfare State: A Social Rights Perspective

Peter Abrahamson

The beginning of the Danish experience of public welfare provision dates back a long time, but for the development of modern Denmark, the early beginnings were, like for most European countries in the latter part of the 19th century. Or though different states took different routes to the welfare state it is interesting to note, as Bo Rothstein (2000: 217) has reminded us recently that until the 1960s most advanced capitalist economies spend roughly the same amount on welfare provision measured as share of GDP. Since then, however, developments have diverged and Denmark along with the other Scandinavian countries has moved up among the big spenders. Judging the development during the last two decades a process of maturation seems to have taken place, since expansion in relative terms have stopped. This chapter gains in details of description with time during developments of the 20th century. Hence, more space has been devoted to recent changes than earlier developments.

The welfare state is generally understood as a state form, which grants social rights to its citizens. The concept came to Denmark from Britain where it had developed during wartime not the least by the publication of William Beveridge’s *Social Insurance and Allied Services* in 1942. In this report Beveridge sketched out the institutional framework for the fight against what he understood as the five giant evils of modern society: want, disease, ignorance, squalor, and idleness. These evils could be fought by establishing the following institutions: basic income security in the case of inability to work (sickness, old age, child birth, invalidity, unemployment, accident, etc.), health care for all, housing, basic education, and full employment. Towards the end of the 1940s, Thomas Marshall defined social citizenship in a manner parallel to Beveridge. Marshall noted that citizenship is a status bestowed on those who are full members of a community. All who possess the status are equal with respect to the rights and duties with which the status is endowed. But in order to enjoy the privileges and duties of citizenship it is not enough to have civil and political rights. Social citizenship was seen as a precondition for exercising citizenship rights. Thomas Marshall, in particular, had in mind the whole range from the right to a modicum of economic welfare and security, to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society (Marshall, 1950, 1981).

A welfare state is hence a state that guarantees, or sees to guarantee, the welfare of its citizens. The development and current state of affair of social citizenship in Denmark is hence the content of this chapter. It starts out with a very brief description of the early beginnings of the Danish welfare society and identifies some major historical turning points: the 1890s, the 1930s, and the 1960s. But emphasis is on the maturation stage from 1982 and onwards.
Early Beginnings

The first social security net in Denmark was established in 1891, when the act on poverty and old-age support passed the Danish parliament. Before this act was passed, helping the poor was left to private charity and a very restricted help from the municipality in connection with sickness and old age. In 1891 the state established a real legislation and offered financial support to the poor and the old people. But there was made a clear distinction between the deserving and the not deserving poor. The not deserving poor were treated worse than the deserving poor. The help was means-tested by the municipalities, and the poor people could be placed in special “poorhouses,” where they were forced to work. Furthermore, the not deserving poor lost some of their civic rights—for example, their franchise (Baldwin, 1990; Horneman Møller, 1992; Ingerslev and Ploug, 1996).

In the period from the 1890s to 1933, there was gradually established more and more social security provisions, especially for the workers. The purpose of these provisions was to secure the workers against the most common social risks—e.g., sickness, old age, unemployment, disablement, and work accidents. There was a change in the principles of social policy, from a pure principle of means-tested support to a principle of security, where the state offered financial support to the different insurance schemes; the help to self-help principle.

In 1933 came the first reform of the social protection system in Denmark. It was mainly a simplification of the social protection system, where all the different social acts were gathered into four main social acts. At the same time the legal principle was introduced as the bearing principle in the social legislation—that is, the social benefits were statutory rights in connection with certain events, for example, unemployment and sickness, on the contrary to means-tested benefits paid by the municipalities. But the means-tested benefits were still the main principle as regards the social assistance benefits. The not deserving poor were still exposed to strict control from the authorities and they still lost franchise. Along with the improvements in the social security system, still fewer were regarded as not deserving poor and subject to the humiliating social assistance scheme (Horneman Møller, 1994). In the period from 1933 to 1960 the existing provisions were gradually improved, but within the framework of the 1933-reform. But in the 1960s some important principles in the social policy were changed.

Before going into more detail about the development from the 1960s and onwards I shall briefly indicate some overall trends in Danish welfare development. One of the foundations of a Scandinavian type welfare state is the high rate of labor force participation. Figure 1 below illustrates what has happened to the activity rates of men and women from 1948 and till 1998:
In 1950, 95 percent of men and 47 percent of women of working ages were affiliated with the labor market; in 1960 we found the biggest discrepancy between male and female participation: 98 percent of men and 43 percent of women were in the labor market then. Since 1960 the development has been so that men have decreased in participation down to 82 percent, which was reached in 1982 and has been rather stable at that level since, while women have increased their labor force participation to an all time high in 1995 of 75 percent. The overall effect has been a steady increase in the share of population being affiliated with the labor market in the post-World War II period and it is now around 78 percent, but movements since 1985 have been very small.

Unfortunately not everyone in the labor market has a job, so it is also important to look at the development in unemployment as shown in Figure 2:
Figure 2: Number of Unemployed Men and Women in Denmark, in thousands


Remembering full employment to be one of the conditions of a welfare state we can conclude that such a situation prevailed in Denmark only from 1960 till 1974. Since the mid 1970s and till the all-time high in 1993 unemployment increased with a few minor improvements in 1980 and 1986. Since the mid-1980s more women than men have been unemployed. By the end of the 1990s the situation is as it was in 1980 with around 175,000 unemployed people, which is about 6 or 7 percent of the workforce (Statistics Denmark, 2000).

An indication of development of the Danish welfare state is the development of total social expenditure as share of the gross domestic product. These values show the degree of committing resources to collective welfare arrangements.
From the end of World War II to the year 1960 social expenditure took up about 10 percent of GDP. But since then it increased rapidly and steadily till it reached 30 percent in 1982. With some fluctuations this is also the share we found at the end of the century. It looks as if total social expenditure has stabilized itself around 30 percent of GDP in Denmark which is comparable to other European countries such as France, the Netherlands, Germany, and other, Scandinavian, countries (Statistics Denmark, 2001: 23).

If one development has been cause for worrying about the Danish welfare state it is the number of people of working ages that are permanently or for long periods of time totally dependent upon public support for their livelihood. Figure 4 shows the share of people on long-time public support from 1960 till 1998:
In 1960, only 6 percent of Danes 18 to 65 years of age were receiving public benefits, in 1973 it had increased to 10 percent and in 1984 it had reached 25 percent, and with fluctuations this is the level around which this figure seems to have stabilized itself.

This brief statistical overview points to 1960 and 1982 to be important turning points in the development of welfare provision in Denmark.

The Golden Age of the Welfare State

In 1961 a new social assistance act was passed, which removed the remaining humiliating aspects of the division between the deserving and the not deserving poor. All civic rights were maintained, including the franchise. Now there were two categories of social assistance; common need and the need of special groups, e.g. single parents. The benefits for common need was fixed at the same level as the old-age pension, while the benefits for special groups were fixed at a somewhat higher level.

Another change in 1960 of great importance was the introduction of the rehabilitation principle, which was established in a special rehabilitation act. Until this time, social policy was concentrated on the creation of social security for the citizens, if they were exposed to social contingencies. Now social policy got a new task, namely to rehabilitate people, so that they were able to support themselves in the future. Another thing worth mentioning is, that an expanding number of social provisions and social services, was offered to the population, and a growing number of people received social benefits and social services during the 1960s. The social provisions were extended to cover the whole population, instead of being restricted to the vulnerable and poor.

In the late 1960s, Danish social policy was thoroughly reanalyzed in an expert-commission—the so-called Social Reform Commission. The time had come, where the framework of the 1933-reform with all its addings and expansions through the period should be re-examined. The 1960s
was a time characterized by high economic growth, rising standard of living in the whole population, full employment and a minimum of social problems. The total social expenditure had grown from 7 percent of GDP in 1934/1935 to 17 percent in 1969/1970.

As stated by Peter Bogason, “Denmark completed, starting in the early 1970s, the most profound changes in the political-administrative system in the 20th century (Bogason, 1992: 95). The reform-complex bore the title “municipality reform” and covered four different, yet interrelated, laws:

a) The “division reform,” which reduced the number of local authorities—municipalities—from 1388 to 277 (now 275), and changed the number of regional authorities—counties—from 25 to 14.
b) The “management reform,” which streamlined the local administrations placing the financial committees centrally in the local bureaucracy.
c) The “burden distribution reform,” transferring former central governmental responsibilities to regional and local levels (institutions for mentally handicapped were taken over by the counties in 1976 and 1980, and sick pay was transferred to the municipalities in 1973). Most importantly, the financial support from central to local government was changed from a percentage reimbursement to block grants.
d) the “social reform,” building upon the principles laid down by the Social Reform Commission:

The objectives of the new social policy reform can be illustrated by the following quotation from the chairman of the Social Reform Commission, Bent Rold Andersen:

to reduce the occurrence of substantial social adaptation problems or problems of loss of income and to contribute actively to solve such problems, wherever they occur.

This quotation contains the main principles of the new social reform, which was carried out in the beginning of the 1970s.

1) The prevention-principle. The number of cases, where permanent or long lasting support is necessary, should be reduced by an early and sufficient effort. Preferably, when it is possible to foresee, that there is a risk that problems will develop to be greater and long lasting or even permanent.
2) The principle of income-loss. In case of temporary loss of income, a generous and means-tested financial compensation should be granted. This should prevent a social deroute because of temporary economic problems.
3) The rehabilitation principle. In case a person is unable to support himself or his family, he should be rehabilitated, e.g. by education, reeducation, or training.
4) The principle of means test. Every single case should be examined, to give proper and sufficient help without regard to what has caused the problem.
5) The totality principle. When examining the need for help attention should be paid to the various aspects of the client's situation,
6) The unity principle. There should only be one place to apply for help and preferably only one social worker at the social security office to contact.

These principles were the basis of the new social reform in the 1970s (Andersen et al. 1970, 1971, 1972). The social reform consisted of the following acts: the Social Administration Act, the
Social Appeal Act, the Health Insurance Act, the Maintenance Allowance Act, the Social Assistance Act, and the decentralization of the care for disabled persons.

The last resort of the social protection system was stated in the Social Assistance Act, the Maintenance Allowance. This benefit was only granted, when all other forms of help from the social protection system were not available, e.g. cash benefits or pensions. The Maintenance Allowance was granted to “a person, who is prevented from getting the means to support himself or his family, because of changes in his situation.” The measuring of the Maintenance Allowance should pay attention to the total situation of the client, and be means-tested by the social worker at the social security office. The amount of the Maintenance Allowance was not fixed in the act, but several regulations were issued to instruct the social workers.

The Social Assistance Act began to operate in 1976, but there have been several changes in the legislation until it was finally replaced by a set of acts in 1997. The overall consequence of this reform-complex was decentralization—that is, municipalization—of the Danish welfare structure, hereby seeking a more effective and rational resource allocation.

This whole reform-complex was initiated on the background of the prosperity of the 1960s and a situation of full employment. Therefore, the central ideas behind social reform were those of rehabilitation and prevention. Because of shortage of labor it was imperative for the welfare policy to be able to contribute to a qualified and quick “repair of injured labor,” or, preferably, a prophylactic policy, avoiding social casualties of all sorts.

The 1979-Reforms: The Crisis and Unemployment Was Here to Stay

Unfortunately, the reform-complex developed during the 1960s was not implemented until the 1970s, in a situation with profoundly changed societal conditions. From the first oil crisis and onwards—that is, from 1973/1974 onwards—Denmark has experienced high levels of unemployment and moderate growth rates. So, from the outset there has been a tension between the intentions of the reform-complex and the societal reality.

A moderate adjustment to the high unemployment situation could be identified towards the end of the 1970s. Until then the then social democratic lead governments had tried to promote the return of prosperity through Keynesian means of effective demand through public spending, e.g. by extending the possibility for long-term unemployed to collect benefits. In 1979, however, two laws were inaugurated which signal a change in welfare strategy, accepting that unemployment was not to be regarded as a temporary phenomenon easily dealt with by traditional fiscal policies. With the Job-Offer-Scheme and the Early Voluntary Retirement Pensions Scheme (VERPS) welfare policy was seen as instrumental to the labor market situation (Abrahamson, 1991a).

The Job-Offer-Scheme

With the introduction of the Job-Offer-Scheme in 1979 the first step was taken towards the effort of transforming the Danish welfare system from one of passive support to one of active involvement. Through this law all long-term unemployed members of an unemployment fund had the right to a suitable job of seven to nine months length. It was administrated by the local public employment offices and, to a large degree, financed by the central government.

The idea was to enhance employment through wage-subsidies granted by the authorities. Thus, it was expected that private sector would enlarge its employment with the encouragement of public support for nine months, and then, hopefully, the companies would be satisfied with the additional labor, and keep them on the work force. Unfortunately, businesses were not very attracted to this situation, and the end result was that the public sector, finally the municipalities, was given the responsibility of finding jobs within their own institutions for the long-term
unemployed. In practice, all long-term unemployed were laid-off after seven months of public employment; after just enough employment to make them eligible for another period of unemployment benefits.

The Conservative Schlüter Government taking over in 1982 have continued the Job-Offer-Scheme and enlarged it to include a so-called enterprise benefit, whereby one was enabled to try and start ones own business while receiving 50 percent of benefits for two years (1985). From this time the job offer could only be received twice; yet, the second time it could be replaced by a so-called education offer, granting training opportunities to the long-term unemployed while they continue collecting benefits.

Seen from the point of view of recipients the Job-Offer-Scheme must be regarded as highly successful, since it enabled long-term unemployed to stay within the benefit system for up to nine years. Viewed on the background of the intentions, however, the Job-Offer-Scheme was not able to create any additional employment in society. What was happening was a circulation of the unemployed in and out of “artificial employment” (Abrahamson, 1992).

National Pension

The Danish old-age pension (or national pension as the official sources have it) is a noncontributory pension financed out of general taxation, which all residents are entitled to. In order to receive the full amount one has to have lived in the country for 40 years from the age of 15 to 67. A minimum of three years for nationals and 10 years for non-nationals are required. If one has lived in Denmark for say 20 years one is entitled to 20/40 of the full amount and so on. From 2004 onward, the retirement age will be reduced from the current 67 years of age to 65 (MISSOC, 2000). The basic principles have been unchanged since the pension was first introduced in 1956. In 1998 a single pensioner received an amount equivalent to 63 percent of an average production worker’s net disposable income (APW), while a couple received 52 percent (of 100 percent APW plus 75 percent AWP) (NOSOSCO, 2000).

Voluntary Early Retirement Pension Scheme (VERPS)

Simultaneously with the introduction of the Job-Offer-Scheme in 1979, the VERPS was introduced. The law enables older workers (aged 60 to 66) who are members of an unemployment fund to withdraw from the labor market receiving a scaled-down proportion of unemployment benefits, before qualifying for the state old-age pension at 67 years of age. Again, the intension was both social policy and labor market policy. On the one hand the law grants older worn out workers the opportunity to withdraw from the labor market before official retirement age (67 then, now 65); and on the other hand it was expected that younger workers would replace the older ones, so that overall unemployment would be reduced substantially. Of course, the introduction of the VERPS in 1979 had an impact on unemployment statistics since a large number of unemployed transferred to it. However, with regard to the jobs being vacant when older workers in employment started receiving VERPS, the replacement ratio was considerably less than 100 percent, making the overall employment effect rather modest. With some minor changes this law has been continued under the Conservative Schlüter Government, and is—together with activation—still an important part of current Danish welfare policy (Abrahamson, 1991a). It was, however, significantly changed in 1998 in order to discourage the 60 to 61 year-olds to seek early retirement. Now it is not very attractive to go on VERPS before 62. Furthermore, an obligatory contribution fees has been established moving the financing more in the direction of Continental European schemes.
The Structure of Social Citizenship in Contemporary Denmark

Around 1982 the welfare state as we know it today was already in place and we can sum it up generally as follows. If we accept a simple model of social citizenship we can follow Dahrendorf (1994) and say that social rights can be derived in two ways either as entitlements or as provisions. Entitlements are based on citizenship rights, and are as such universal; provisions are either granted with reference to merit, as in a contributory system (in accordance with the achievement-performance model of social policy), or with reference to need, as in a discretionary system based on means and/or needs test. We have, hence, a tripolar differentiation of social citizenship:

Table 1: Three Ideal-Typical Models of Social Citizenship

<table>
<thead>
<tr>
<th>Rights based on</th>
<th>UNIVERSAL</th>
<th>PERFORMATIVE</th>
<th>CLIENTISTIC</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>citizenship (or residence)</td>
<td>corporate contract</td>
<td>needs (and means) test</td>
</tr>
<tr>
<td>Obligations based on</td>
<td>parental status (parents’ obligation to provide for their children)</td>
<td>familiar status (parents’ obligation to provide for their children; adult children’s obligation to provide for their old parents; spouses’ mutual obligation to provide for each other) combined with employers’ obligations towards employees</td>
<td>parental status (parents’ obligation to provide for their children) and marital status (spouses’ mutual obligation to provide for each other) combined with behavioral duties (man-in-the-house rules; workfare)</td>
</tr>
<tr>
<td>Social policy model (Titmuss)</td>
<td>institutional</td>
<td>achievement-performance</td>
<td>residual</td>
</tr>
<tr>
<td>Central welfare state activity (Marshall)</td>
<td>public social services</td>
<td>social insurance</td>
<td>social assistance</td>
</tr>
</tbody>
</table>

In any given state at any given time the social rights package will be a combination of the three basic models. In Table 2 the functional distribution of social rights in Denmark is given. If provisions are dependent upon user-fees resembling the market price or, at any rate, are substantial, I identify them as performative:

Table 2: Functional Distribution of Social Rights in Denmark 1998 with Reference to Main Categories of Risk. Transfers in Italics, Services in Plain Text (parentheses indicate commercial alternative)

<table>
<thead>
<tr>
<th>Health</th>
<th>UNIVERSAL</th>
<th>PERFORMATIVE</th>
<th>CLIENTISTIC</th>
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<tbody>
<tr>
<td>primary health care (general practitioners)</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary health care (hospitals)</td>
<td>x</td>
<td>(x)</td>
<td></td>
</tr>
<tr>
<td>sick pay</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
Old age, handicap, invalidity

<table>
<thead>
<tr>
<th>Service</th>
<th>Universal</th>
<th>Needs Test</th>
<th>Commercial Alternatives</th>
<th>Entitlements to Transfers and Services</th>
<th>Entitlements to Transfers and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>home help, meals on wheels, etc.</td>
<td>x</td>
<td>(x)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>nursing homes</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pensions</td>
<td>x</td>
<td>x</td>
<td></td>
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<td></td>
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</tbody>
</table>

Unemployment

<table>
<thead>
<tr>
<th>Service</th>
<th>Universal</th>
<th>Needs Test</th>
<th>Commercial Alternatives</th>
<th>Entitlements to Transfers and Services</th>
<th>Entitlements to Transfers and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>education, vocational training</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>job guarantee, workfare</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>unemployment benefits</td>
<td>x</td>
<td></td>
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</tbody>
</table>

Families (children)

<table>
<thead>
<tr>
<th>Service</th>
<th>Universal</th>
<th>Needs Test</th>
<th>Commercial Alternatives</th>
<th>Entitlements to Transfers and Services</th>
<th>Entitlements to Transfers and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>day-care institutions</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>housing allowances</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>child benefits</td>
<td>x</td>
<td></td>
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</tbody>
</table>

Social assistance

<table>
<thead>
<tr>
<th>Service</th>
<th>Universal</th>
<th>Needs Test</th>
<th>Commercial Alternatives</th>
<th>Entitlements to Transfers and Services</th>
<th>Entitlements to Transfers and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>activation</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(therapeutic) institutions</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>poor relief</td>
<td>x</td>
<td></td>
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</tbody>
</table>

Education

<table>
<thead>
<tr>
<th>Service</th>
<th>Universal</th>
<th>Needs Test</th>
<th>Commercial Alternatives</th>
<th>Entitlements to Transfers and Services</th>
<th>Entitlements to Transfers and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>primary school</td>
<td>x</td>
<td>(x)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>technical/ craft/ practical</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>higher education</td>
<td>x</td>
<td></td>
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</tbody>
</table>

Health care services are universal, but can be supplemented or substituted by commercial provisions; while entitlement for sick pay is obtained either by labor market participation (i.e., performative) or by need (i.e., clientistic).

Services for the elderly, invalids and handicapped citizens are universal, yet some are subject to a needs test, and there exists commercial alternatives to the public services; old-age pension is universal, but many groups in the labor market supplement with occupational pension; early retirement is based either on needs assessment or on labor market performance. There exists no obligation to provide for older relatives.

The unemployment benefit system is, in principle, a social insurance scheme, hence, entitlements to both transfers and services are tied to labor market performance; entitlements are also dependent upon obligations to participate in various job training and educational activities.

Entitlement to family benefits such as day care and family allowance are universal, while housing allowances are needs and means-tested. Parents have an obligation to provide for their children until these reach the age of 18.

Eligibility for social assistance, whether services or transfers, are—per definition—subject to means, needs, and work test; it is a discretionary—that is, a clientistic system. Recipients are obliged to undertake activities such as education, training, workfare or the like.
Danish citizens/residents have a right to public primary education and an obligation to receive education but not to go to school; commercial alternatives exist. Further education is either a universal right as is the case with higher education and part of the practical educational system, while other parts of this system is based on labor market affiliation.

**New Governments—New Policies? 1982 and Onwards**

When the Conservative-lead government took over in 1982 it started introducing some principles for a “modernization of the public sector” (Ministry of Finance, 1983). Three dimensions were highlighted as guiding principles for future public sector organization: (1) privatization, (2) de-bureaucratization, and (3) decentralization.

Retrospectively seen, the implementation of these new guiding principles have been modest and cautious. Privatization has been interpreted as placing more emphasis on user rates and fees; e.g. increasing workers contributions to the unemployment funds; smaller fees regarding enrollment to some higher education institutions; etc. De-bureaucratization has been interpreted as placing more emphasis on the voluntary and informal sector regarding the distribution of social services, through financial and political encouragement. Finally, the trend towards decentralization of Danish welfare society has been continued during the 1980s, trying to further the development from central to local authorities to continue further into the local communities and neighborhoods.

**Flexibilization Through Experimentation**

Instead of a profound change in Danish welfare administration the 1980s and 1990s show a commitment to reducing the increase in public expenditure, and a commitment towards flexibilization of services and transfers, e.g. by allowing some experimentation by the municipalities in the provision of social services.

The emphasis on flexibilization is reflected in the so-called Social Experimentation Fund, which was introduced in 1988, providing 350 million DKK (Danish Krone = 47 million EURO) to new ways of dealing with social problems and social services locally over the period of time from 1988 to 1991. This was just one of many experimental programs launched during the 1980s; others regarded schools and education (the so-called “ten points program,” and the primary school development program) and the health sector (the so-called “health pool”). Lis Adamsen and Jesper Fisker judge that “in Denmark during the period 1980 to 1990 more than one thousand experiments and development projects have been carried out, and from private funds and public pools alone, more than one billion DKK have been granted” (Adamsen and Fisker, 1990: 4).

**Family Policy**

The Conservative-lead government introduced a general child allowance in 1984. Since then all children under 18 years of age have received a so-called “children’s check.” Currently, the amount differs according to the age of the child. Children aged zero to two receive DKK 12,100 yearly; children aged 3 to 6 receive DKK 11,000; and children between 7 and 17 years of age receive DKK 8,600 (Told and Skat, 2001). Expansion of child-care facilities continues and the child maintenance system is upheld.

**Elderly Policy**
During the 1960s and 1970s institutions for the elderly, especially, nursing homes had expanded in Denmark. But one of the central ideas coming out of the government’s “Elderly Commission,” which completed its work in the early 1980s was the elderly policy should be guided by the principle of “staying as long as possible in the own home.” Such a policy calls for extensive home-help and around the clock home-care; and currently, most municipalities have established such new service structures.

In 1987 new legislation was passed concerning housing for the elderly, which entitles the municipalities to subsidies for the building of so-called “elderly flats.” An elderly flat is a home (max. 55 m²) with kitchen and bathroom, easy access with wheel chair, and suitable for care in the home services. The intention was to substitute the nursing homes with these more independent housing units, which again, should be serviced by the municipal home help and home care (Abrahamson, 1991b).

**Policies of the 1990s: Activation and Inclusion**

Gradually, during the 1990s the Social Assistance Act has been changed regarding support for the young. Through the introduction of the so-called “youth-allowance” the 18 years old and the 19 years old cannot any longer receive social assistance passively. They have to submit themselves to either a job or a training activity, offered by the municipality, in order to receive cash benefits. As of April 1992, the youth-allowance has been expanded to encompass all 18 to 24 years old applying for help according to the Social Assistance Act. Within two weeks, municipality is supposed to have found a suitable job, training, education, or other activity, for which the young person will be paid the equivalent of what they used to collect in assistance payments.

This legislative change is indicative for the current trends in Danish welfare policy emphasizing the change from passive support to active involvement introduced in 1979 with the Job-Offer-Scheme, and now expanded into other areas of the welfare system. In 1993, Denmark got a new government, for the first time in more than ten years lead by the Social Democrats. Yet, we saw a continuation of the policy taking shape during the 1980s as described briefly above.

**The Work of the Social Commission**

During the last 20 years there has been a gradual change in emphasis regarding social protection in Denmark. The development has been described as a move away from passive support towards active involvement. In this spirit, the former Schlüter Government in August 1991 appointed a so-called “Social Commission” with the task of analyzing and suggesting changes with regard to the Danish social transfer systems: “to suggest how human and financial resources can be strengthened maximally through the social policy system.” The Commission shall analyze the composition of recipients of social transfers, and the development in dependency hereof. It shall then analyze “the level of transfers and judge the incentives of recipients with regard to leaving the system and join the labor market.”

The appointment of the Social Commission was made with reference to a changing demand, which “the European integration and the anticipated changes in the composition of the population pose to a more active use of social resources.” Based on its analyses the Commission is supposed to suggest changes regarding the social transfer systems which emphasize a better utilization of the recipients’ own resources. The financing of transfers systems shall also be analyzed, including the use of the insurance principle. The overall task is to “create a future-safe, more coherent and simple transfer system, with an eye to use the means more actively” (Socialkommissionen, 1992: 8).
Because of the change of government the new government did not officially pay so much attention to the “old” government’s Social Commission reporting in 1993. Nevertheless, the proposals suggested by the Social Commission was for a large part identical to the new acts proposed by the Social Democratic-led government, such as the Labor Market Reform of 1993 and the Act on Active Social Policy from 1997. Both laws were hammering the activation approach into welfare legislation.

Continuity or Change: Denmark Towards the New Millennium

If we start out by considering the breakdown of total social expenditure on transfers and services, we see that transfers are increasing their relative share over the considered time period. Figure 5 below shows the situation in relation to GDP and—virtually—gives a straight line for services, indicating that changes are relative to changes regarding transfers.

Table 3: Total Social Expenditure in Denmark 1982 to 1999

<table>
<thead>
<tr>
<th>Year</th>
<th>Total social expenditure, mill. DKK</th>
<th>Share of transfers in %</th>
<th>Total expenditure per capita, DKK</th>
<th>Total social expenditure, % of GDP</th>
<th>Total social expenditure, mill. DKK, index 1994 = 100</th>
<th>Total expenditure per capita, DKK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>138518</td>
<td>61.4</td>
<td>27064</td>
<td>29.7</td>
<td>215757</td>
<td>70</td>
</tr>
<tr>
<td>1987</td>
<td>186104</td>
<td>61.7</td>
<td>36299</td>
<td>26.6</td>
<td>225967</td>
<td>73</td>
</tr>
<tr>
<td>1991</td>
<td>249233</td>
<td>63.9</td>
<td>48354</td>
<td>29.9</td>
<td>262813</td>
<td>85</td>
</tr>
<tr>
<td>1996</td>
<td>324664</td>
<td>64.9</td>
<td>61687</td>
<td>30.5</td>
<td>311552</td>
<td>101</td>
</tr>
<tr>
<td>1999</td>
<td>351526</td>
<td>61.4</td>
<td>66054</td>
<td>28.9</td>
<td>316208</td>
<td>102</td>
</tr>
</tbody>
</table>


Figure 5: Social Expenditure, Transfers, and Social Services in Denmark, 1982 to 1998
Total social expenditure as a share of GDP has changed some since 1982; it oscillates between 26 to 30 percent with the lowest value of 26 percent in 1986 and the highest in 1994 with 33.1 percent (Statistics Denmark, 1998: 24). But relatively speaking, nothing much has happened; what we witness is a process of stabilization. However, looking at the absolute figures there has been an increase. Considering total social expenditure per capita it has increased by around 32 percent, namely from DKK 41,000 to DKK 59,000.

Another way of judging the development in social citizenship is to give the share of total public expenditure, which is devoted to social expenditure. The Table 4 shows that social expenditure has been decreasing its share relatively from 47.6 percent in 1982 to an all time low in 1999 of 40.8 percent.

Table 4: Total Social Expenditure as a Share of Total Public Expenditure 1979 to 1999, selected years, in percent

<table>
<thead>
<tr>
<th>Year</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>47.6</td>
</tr>
<tr>
<td>1987</td>
<td>42.5</td>
</tr>
<tr>
<td>1991</td>
<td>47.3</td>
</tr>
<tr>
<td>1996</td>
<td>43.4</td>
</tr>
<tr>
<td>1999</td>
<td>40.8</td>
</tr>
</tbody>
</table>

Turning to the share of financing the period of time since the late 1970s shows a considerable change: Relatively seen, the central government finances a smaller and smaller share; the municipalities increase their share a bit; but together the public sector reduces its overall share over the period from 87.3 percent in 1982 to 69.8 percent in 1999 (see Table 5). The employers’ contribution is stable at around 10 percent, so, obviously, the employees’ share must have been increasing significantly. It has so, indeed, from 3 percent in 1982 to 20.3 percent in 1999. Thus, the employees’ share has increased with a factor six, or more than 600 percent. The general tendency in financing social citizenship in Denmark is away from central government towards
local government and especially toward people themselves via contributory systems—that is, a strengthening of the performative kind of citizenship.

**Table 5: Distribution of Financing of Total Social Expenditure in Denmark 1979 to 1999, selected years, in percent**

<table>
<thead>
<tr>
<th></th>
<th>Central government</th>
<th>Counties and municipalities</th>
<th>Total public sector</th>
<th>Employers</th>
<th>Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>54.1</td>
<td>33.2</td>
<td>87.3</td>
<td>9.7</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>1987</td>
<td>43.8</td>
<td>39.8</td>
<td>83.6</td>
<td>11.7</td>
<td>4.7</td>
<td>100</td>
</tr>
<tr>
<td>1991</td>
<td>48.7</td>
<td>38.4</td>
<td>87.1</td>
<td>7.7</td>
<td>5.3</td>
<td>100</td>
</tr>
<tr>
<td>1996</td>
<td>38.5</td>
<td>34.9</td>
<td>73.4</td>
<td>10.3</td>
<td>16.3</td>
<td>100</td>
</tr>
<tr>
<td>1999</td>
<td>30.7</td>
<td>39.1</td>
<td>69.8</td>
<td>9.9</td>
<td>20.3</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Statistics Denmark (2001).*

In order to give a more detailed picture we will have to break down total social expenditure according to its different functions or categories of risk. Figure 6 shows the situation in 1999, and we can see that the biggest group is old age with nearly 40 percent of total social expenditure, followed by health with 18 percent, employment with 14 percent, families and children with 12 percent, invalidity with 11 percent, and others with 6 percent of total social expenditure.

**Figure 6: Total Social Expenditure in Denmark in 1999, broken down according to different functions, in percent**

*Source: Statistics Denmark (2001).*

To get some ideas about the changes over time the following table has been computed showing the development of the functional break down of expenditure set against GDP:

**Table 6: Relative Weight of Various Categories of Social Expenditure Set Against GDP in Denmark 1979 to 1999, selected years, in percent**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>7.4</td>
<td>6.5</td>
<td>5.8</td>
<td>5.9</td>
<td>5.4</td>
<td>5.7</td>
</tr>
</tbody>
</table>
The general picture is that of health giving way to old age over time, and to a minor extent also to the other categories. In relation to the national economy (GDP) the situation has been quite stable during the whole period of time: we devote about 30 percent of the total economy to maintaining social citizenship of some sort. Measured per capita we tend to spend more and more; but social expenditure has been a relatively declining part of total public spending since 1979. It is with respect to financing of social expenditure we find the most substantial changes for social citizenship: A declining share is financed by central government, and more and more is being paid by the employees and the municipalities and counties. Apart form indicating a trend towards further decentralization of financial responsibilities it also indicates a turn towards a performative model of social citizenship.

Social citizenship is often equated with social rights; but in the Danish case we are reminded that citizenship entails both rights and obligations. The general trend is to emphasize and clarify the obligations that citizens have with regard to claiming social rights. This was coined the something-for-something principle by former Minister of Social Affairs, Aase Olesen, and is still valid (Ministry of Social Affairs, 1990, 1991). The principle has been institutionalized with the so-called activation approach to social policies in general. Participation in active labor market policy measures or workfare schemes has become mandatory if continued financial support is to be expected. Also, proof of active job-seeking behavior has been strengthened.

Another tendency is one towards more choice. Free hospital choice in the public secondary health care system, and the possibility of choosing private/market solutions by the opening up of a commercial segment of hospitals and clinics; predating this trend free choice of GPs was introduced; free choice of primary school, except for immigrants! In some municipalities immigrants are subject to quota systems reallocating their children geographically in order to obtain a more “even” spread across the municipal schools. The emphasis on free choice echoes elements of a neoliberal approach to social citizenship; but it has been implemented in a universal regime. A third tendency is a stronger emphasis on citizens’ involvement in decisionmaking and administration of social services such as child-care institutions, primary schools, elderly care, etc. Every thing else being equal, this indicates a strengthening of our political citizenship. A child-care guarantee was issued by the government; but the responsibility lies with the municipalities, and a considerable part of them have not (been able to) complied. This is an example of the decentralization process being challenged by the central government, and has led some observers to talk about a process of re-centralization (Hegland, 1994). Various leave-schemes have been introduced and reduced because of their popularity! Yet, taken together their introduction

<table>
<thead>
<tr>
<th></th>
<th>2.6</th>
<th>2.4</th>
<th>2.4</th>
<th>2.6</th>
<th>3.3</th>
<th>3.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalidity and handicap</td>
<td>9.1</td>
<td>10.1</td>
<td>10.1</td>
<td>10.6</td>
<td>11.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Old age</td>
<td>2.8</td>
<td>2.9</td>
<td>3.2</td>
<td>3.6</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Families</td>
<td>3.3</td>
<td>5.3</td>
<td>3.5</td>
<td>4.9</td>
<td>4.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Employment</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Social assistance and other</td>
<td>0.8</td>
<td>1.1</td>
<td>1.1</td>
<td>1.4</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>26.7</td>
<td>29.1</td>
<td>26.9</td>
<td>29.9</td>
<td>30.5</td>
<td>29.7</td>
</tr>
</tbody>
</table>

Note: Totals may not add up since we have omitted two small categories of work injuries and widowers pensions

indicates a strengthening of social citizenship rights. Pension rights move towards the performative model because of a strengthening of occupational pension schemes. Such arrangements are currently, albeit slowly, being extended to blue-collar workers.

We have experienced a continuation of the so-called experimentation strategy, which means a diversification of social services with more involvement of civil societal institutions and actors such as volunteers, self-help groups, charities and businesses. This means a complication of social rights. Finally, the campaign for the social responsibility of companies and the quest for more social clauses in the industrial relations’ agreements point towards the performative model of social rights.

A new series of Social Democratic-led governments came into power since 1993. The major changes are as follows: (1) leave-schemes with the labor market reform of 1994 (child-care leave; education leave; sabbatical leave); (2) New Social Assistance Act of 1997 (being split into: the Active Social Policy Act and the Social Service Act plus the Social Provision Administration and Legal Guarantee Act); (3) stronger financial and ideological support to the voluntary sector; and (4) a new campaign for the social responsibility of companies.

With the labor market reform of 1994 a couple of experimental leave schemes were made permanent. The education leave is a scheme enabling insured workers 25 years of age and older to take time out, at least one week, at the most one year, to participate in some kind of recognized education receiving benefits equivalent to unemployment benefits. In 1994 80,000 people and in 1995 53,000 people used this opportunity. The child-care leave is a scheme allowing parents with children up to eight years of age to take time out to care for their children up to one year and at least for 13 weeks. The scheme is open to everyone affiliated with the labor market, whether insured or on social assistance. Because of its popularity the benefits have been reduced from 100 percent to first 70 and now to 60 percent of unemployment benefits. While on child-care leave children cannot occupy a space in a public child-care institution. In 1994 47,000 people and in 1995 80,000 people went on this leave. Finally, the sabbatical leave is a time limited experiment running till 1999, allowing employed insured people 25 and older to take up to one year, and at least 13 weeks, out from the labor market provided they can find a substitute for them, to fill their spot, during the period of time. Benefits have been reduced to 60 percent of unemployment benefits. In 1994 13,000 and in 1995 3,000 people went on sabbatical leave (Andersen et al., 1996).

The schemes were meant to increase the circulation in the labor market between unemployment and employment; but as the schemes became increasingly popular the government feared that they might create bottlenecks by reducing unemployment too much and they were therefore made less attractive. The child-care leave must be viewed as a universal right, while the other two leave schemes are reserved for workers belonging to the social insurance system, and thus is a performative trend.

With the new Social Assistance Act of 1997 the active labor market/workfare strategy has been strengthened indicating a stronger emphasis on the obligation of the claimants to participate in some activity arranged or referred to by the municipality. A majority of the claimants view this positively in so far as they say that they were quite satisfied with the offer received; yet many also state that it is a means of social control. This development is a demonstration of the government’s focusing in on marginalized and socially excluded people. This targeting is a clientistic trait.

The government/Ministry of Social Affairs are currently encouraging the voluntary sector to be more engaged in fighting social problems at various levels and in various ways. The encouragement takes the form of financial support for voluntary organizations. This is a tendency strengthening the welfare mix approach to social policy with its emphasis on new partnerships between public and private sector. The same can be said for the campaign: The social
responsibility of companies where the government is trying to involve business more in fighting the marginalization and social exclusion that the companies produce in the first place (Holt, 1998). This is clearly a performative trend in the development of social citizenship rights in Denmark.

With respect only to transfers Hansen (1998) indicates recent changes concerning the unemployment benefit system (social insurance) and early retirement:

The duration of benefit period was shortened from seven to five years in 1996. Active labor market measures will no longer prolong the benefit period. Substantial changes were implemented in 1996 for young persons under 25 years of age. Unemployed young persons with no or only little formal education will be offered education after six months of unemployment unless they have a solid work record, in this case they will be offered job training. The benefits for those participating in education are 50 percent of maximum unemployment benefits, those in job training will receive maximum unemployment benefits. From 1997 the working condition was 52 weeks within the last three years, up from 26 weeks, before benefits could be received. Unemployed who are over 50 years when their unemployment benefits rights expire can continue receiving benefits until the age of 60 years if they by continued membership of the unemployment benefit scheme at that time will qualify for the early retirement scheme (“efterløn”). For unemployed over 60 years the duration of the benefit period is only two and a half years as a maximum, and there are no active labour market measures for this group. The temporary schemes for early retirement from the labour market [concerning people between 50 and 60] were closed for new entrants from February 1996 (Hansen, 1998: 46, 53).

We witness here a tightening of eligibility rules for receiving unemployment benefits, which must be interpreted as a reduction of social rights simultaneous with a strengthening of the obligations that unemployed people have to actively change their situation. Finally, user-rates are quietly becoming a part, or though still a small part, of Danish welfare policy. From 1993 to 1997 they were increased by 20 percent to DKK 36 billion; within the area of education they increased by 50 percent to DKK 9.3 billion; and in health care they doubled to DKK 3 billion. Throughout this paper user-rates are viewed as a performative element of social citizenship (Information, 1998).

Conclusion

Not surprisingly, overall trends of development are not one-dimensional. With regard to health care we see a strengthening of commercial alternatives, introduction of user-rates and more choice, which move citizenship in a performative direction, and in relative, quantititative terms, health care is diminishing in importance within the total welfare package. Small local hospitals are being closed down and patients are being allocated to fewer and larger regional hospitals. Intentionally, this should give a better treatment and care; yet it is experienced as a reduction in social citizenship rights! Health care is one of the areas where popular dissatisfaction is aired most strongly.

Pension rights are being expanded due to more emphasis on occupational pensions, and at the same time it is more difficult to obtain early retirement. Elderly people are granted more influence on the municipal elderly care through the formation of so-called “elderly councils.” So, in this case we see trends both towards a performative regime, a strengthening of political citizenship and a reduction of some social rights.

Regarding the unemployed their obligations to participate in active labor market measures have been strengthened, and benefit periods have been reduced, which indicates a reduction in social rights in this respect. Benefits for families and children have been increased with a
universalization of child-care leave arrangements and child allowances. Hence, here we have an implementation and continuation of a universal citizenship principle.

The social assistance reform emphasized more rights and more obligations, thus strengthening a clientistic trend in the development of social citizenship with its stronger focus on the marginalized and socially excluded as a separate category of citizens. More emphasis on targeting must be considered a move towards a clientistic model of social citizenship. Finally, regarding education political rights have been strengthen and the introduction of education leave fits this trend, or though the quality has been reduced because of the popularity of the scheme. Furthermore, this is the area in which the use of user-rates have increased the most which point towards a performative element of social citizenship.

Viewed in another perspective, trends in Denmark follow a general pattern of change in welfare ideology, where emphasis is on: (1) de- and re-centralization (regionalization and internationalization); (2) obligations to be active in various arrangements (workfare); (3) user influence/participation; (4) voluntary involvement; (5) flexibilization (divisions of labor and new partnerships), and (6) experimentation.

Taken together, we can identify a diversification of social rights and obligations, which can be summarized as “a welfare-mix approach to social citizenship”—that is, mixing elements from the three ideal-typical models discussed above. Such a move cannot in itself be judged simply as a reduction or strengthening of social citizenship; it depends on the concrete mixes. Yet as the actual changes during the last two decades have been analyzed here most changes have been away from the universal regime and towards a performative and a clientistic regime. In so far the universal citizenship regime is the ideal, as it has been in Scandinavia for many years, current developments point to an overall weakening of “traditional” rights and “new” and more obligations.
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