Appendix B.

Denmark case study

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1. **Summary**

- Lowest income inequality in the world
- Universal access to social assistance
- One of the lowest child poverty rates among OECD countries
- No current child poverty reduction strategy or measures
- New social policy objective to reduce poverty and ensure equal opportunities for all, with special emphasis on children and those in long term poverty
- High labour market participation, low in-work poverty and effective income support
- Three-sided mix of active employment policy, flexible labour market, and social security (Flexicurity)
- Wide availability of free and low cost childcare enables work and family life to be complementary

2. **Country overview**

Denmark is a social democracy with a mixed market economy and a large welfare state. Ranking number one in the world for income equality it has the world’s seventh highest per capita income. Danish society encourages individual and collective responsibility, high expectations and standards, and the Government aims to deliver social assistance to everyone who needs it.

Social policies are designed to maintain and extend Denmark’s position in the global economy, particularly in the context of the global financial crisis, which, in recent years, has led to an increase in unemployment and a growing deficit in public finances. The Government is emphasising the importance of education and high standards to stimulate growth and tackle rising inequalities. Denmark has one of the lowest growth forecasts among OECD countries (The Danish Government, 2011).

The sovereign state’s present Government is a parliamentary democracy consisting of the Social Democrats, Social Liberals and Socialist People’s Parties. Characterising the social system are the following principles (The Ministry of Social Affairs and Integration, 2011):

- universal social security benefits and social services
- tax financing mainly from general taxation
- public responsibility for the provision of benefits and services
- services for children, dependent elderly people and people with disabilities to support labour market affiliation
- active social measures
- decentralisation of social responsibilities to local government and local communities
- local scope of action and autonomy when implementing social protection schemes
- user influence on social protection programmes

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• individual and collective responsibility for social problems
• cooperation among public sector, private companies and voluntary social organisations to promote social welfare.

3. Demographics

Denmark has a population of 5.5 million, only 10 per cent of which is foreign born. The Gross Domestic Product (GDP) per capita is DKK 300,241\(^2\) (2011).\(^3\) In 2011 the unemployment rate was 7.7 per cent\(^4\) (OECD average 8.2%), up from 4.2 per cent in 2001. Long term unemployment (as a percentage of total unemployment) has however remained fairly static: 24.4 per cent in 2011 compared to 22.2 per cent a decade earlier.

4. Child poverty in Denmark

In Denmark, the child poverty rate is frequently cited as one of the lowest among OECD countries, although the rate has begun to rise. The most recent UNICEF report, using the percentage of children living in households with equivalent income lower than 50 per cent of the national median to assess poverty, puts the child poverty rate at 6.5 per cent (UNICEF Innocenti Research Centre, 2012).

The at-risk-of-poverty rates are highest among children living with single parents (17 per cent) and in large families (15 per cent), but the figures are still well below the EU averages (TARKI, 2010). As elsewhere in the EU, the risk of poverty is high among children living in jobless households, and these make up just over a third of all children at risk.

The relatively favourable overall picture of child poverty outcomes is considered to be a result of a combination of three main factors: high labour-market participation of parents; low in-work poverty; and effective income support, underpinned by the highest tax rate among OECD countries.\(^5\) Denmark’s public expenditure on labour market policies is high: 1.9 per cent of GDP on active measures (e.g. training, job creation) in 2011 (0.7 per cent OECD average), and 1.6 per cent of GDP on passive measures (e.g. income support, early retirement (1 per cent OECD average)).\(^6\)

**High labour market participation:** Seventy-three per cent of the population (age 15-64) is in work compared with an OECD average of 64 per cent (2011).\(^7\) Most children live in households where both parents are in full-time employment.

\(^2\) [http://www.xe.com/ucc/convert/?Amount=1&From=DKK&To=GBP](http://www.xe.com/ucc/convert/?Amount=1&From=DKK&To=GBP). One Danish Krone (DKK) is approximately .10 GBP.
\(^4\) [http://www.oecd.org/els/employmentpoliciesanddata/howdoesyourcountrycompare-denmark.htm](http://www.oecd.org/els/employmentpoliciesanddata/howdoesyourcountrycompare-denmark.htm)
\(^5\) [http://www.oecd.org/general/denmarkswedenstillthehighest-taxoecdcountries.htm](http://www.oecd.org/general/denmarkswedenstillthehighest-taxoecdcountries.htm)
\(^6\) [http://www.oecd.org/els/employmentpoliciesanddata/howdoesyourcountrycompare-denmark.htm](http://www.oecd.org/els/employmentpoliciesanddata/howdoesyourcountrycompare-denmark.htm)
Over half of children live in a household where everyone is in paid work, which is twice the EU average and one of the highest figures in the EU. High labour market participation is facilitated by the wide availability of free or low cost childcare, high child and family benefits and comparatively generous maternity benefits and parental leave. Together these policies help to enable three-quarters of mothers to return to work, the majority full-time. A survey undertaken in 2006 found that 79 per cent of Danish mothers who took parental leave returned to work on the same basis as before (Eurochild, 2011). The risk of poverty among children with a working mother is very low (only 3 per cent). At the same time, the at-risk-of-poverty rate for children whose mothers are not in work (27 per cent) is also well below the EU average (35 per cent) (TARKI, 2010).

Low in-work poverty: In-work poverty is minimal and is generally not perceived to be a problem in Denmark (Christiansen & Nielsen, 2010). Rates are, however, rising. Since the mid 1990s, the share of the population belonging to the low-income group (e.g. students, immigrants, self-employed and fully unemployed) has increased from 3.6 per cent in 1994 to 5 per cent in 2005 (Ministry of Social Welfare Ministry of Health and Prevention, 2008b). The share of workers earning less than two-thirds of median earnings has also increased from 8.8 per cent in 2000 to 13.4 per cent in 2010. Earnings dispersion has also increased. Even in light of these changes, the incidence of low pay still compares favourably with the OECD average of 16.3 per cent.

Effective income support: Over the last decade unemployment rates have been consistently low: less than six per cent until 2009, at which point rates began to rise, reaching 7.7 per cent in 2011. In jobless households, the at-risk-of-poverty rate is relatively high (49 per cent) but a disproportionate share of social transfers go to children in these households (almost four times their share of all children). These transfers serve to reduce the relative number at risk of poverty by 46 percentage points, which is twice the EU average for children in such households (TARKI, 2010). Interestingly, the depth of poverty into which poor children are allowed to fall into (i.e. the relative 'poverty gap') is greater in Denmark (32.8 per cent) than in the United Kingdom (18.8 per cent) (UNICEF Innocenti Research Centre, 2012).

5. Child poverty strategy

Given its somewhat favourable and stable socio-economic conditions, Denmark does not have a child poverty reduction strategy per se. Nor does the Government currently have an official definition of poverty or a poverty line; both 50 and 60 per cent of the median are used with register data (European Commission Employment Social Affairs and Inclusion DG, 2010).

But in light of growing economic pressures, the Government has newly introduced a social policy objective to reduce poverty and ensure equal opportunities for all (The Danish Government, 2012b). An expert committee has

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8 http://www.oecd.org/els/employmentpoliciesanddata/howdoesyourcountrycompare-denmark.htm
been set up to analyse various methods to calculate poverty and prepare suggestions for an official poverty line. The committee is tasked with (The Danish Government, 2012c):

- identifying other countries' use of poverty lines and their experiences
- analysing and evaluating the criteria that are relevant to calculate poverty in Denmark
- developing proposals for the methods and data that can form the basis of a Danish poverty line
- identifying and highlighting poverty traps and the factors which can bring people out of poverty
- clarifying the evolution of poverty given the committee's recommendations on how poverty thresholds should be defined.

Now in development, operational poverty indicators will aim to make it possible to identify poor families and individuals, with particular focus on children living in poverty and people who live in long-term poverty (The Danish Government, 2011). Probable indicators to assess families' overall social circumstances include low income, housing situation, education level, employment opportunities and health situation (The Danish Government, 2010). The indicators are the subject of a forthcoming conference and are expected to be published in 2013.

It is worth noting that Copenhagen and Odense, in line with the high degree of localism in Denmark, have developed independent poverty thresholds. Copenhagen, in particular, experiences a relatively high level of child poverty compared to other Danish cities, explained in part by the high number of residents who are in receipt of cash benefits. Examples of targeted support programmes from Copenhagen are provided below.

5.1 Summary of related strategies

In the absence of a child poverty reduction strategy, we briefly outline key overarching government strategies in order of relevance below. We then go on to introduce government departments’ roles and responsibilities and summarise policies and programmes of importance.

This year in response to the global economic crisis, rising poverty and social inequalities, a national prevention strategy will be implemented using DKK 100 million social funds over four years (The Danish Government, 2012a). It will focus on two initiatives to help children and young people at risk of deprivation:

- strengthening provision for, and the inclusion of, children with welfare and learning difficulties in daycare, schools and leisure activities by sharing best practice, improving guidance for local authorities on key transitions (e.g. between school stages) and developing better links with local health services

strengthening targeted support for families, particularly those with school age children, children who have been in contact with the youth justice system and children with behavioural difficulties (e.g. Attention Deficit Hyperactive Disorder - ADHD) through the establishment of local action teams, more support and better education.

The prevention strategy is in development, and no further information is currently available in English.

The National Reform Programme Denmark 2012

Documenting Denmark’s national implementation of the EU’s growth strategy (Europe 2020) and the competitiveness pact, this strategy includes the overall economic framework for Denmark. On the national level, the Danish Government has an objective to re-establish the progress in the Danish economy and to ensure balance between public revenue and expenditure. Initiatives passed to promote employment and labour supply focus on retirement reform, the young unemployed and older unemployed. There is also great emphasis on education and social inclusion. Figure 5.1 below shows the EU headline targets most relevant to reducing child poverty that the Danish Government has signed up to.

Figure 5.1 Targets for 2020

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<th>Target for 2020</th>
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<tbody>
<tr>
<td>The national target for employment</td>
<td>80 per cent structural employment rate$^{10}$</td>
</tr>
<tr>
<td>The national target for education</td>
<td>Less than 10 per cent school dropout rates for the population aged 18-24 and at least 40 per cent of the population aged 30-34 having completed tertiary$^{11}$ or equivalent education</td>
</tr>
<tr>
<td>The national target for social inclusion</td>
<td>Reduce the number of people in households with low work intensity by 22,000</td>
</tr>
</tbody>
</table>


Also significant is the National Report on Strategies for Social Protection and Social Inclusion, which details actions in support of disadvantaged children and young people. The purpose of the report is to share the strategies and initiatives Denmark applies to achieve the common objectives for social protection and social inclusion in the EU (within the EU’s framework of the open method of communication). This report outlines the programme Equal

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$^{10}$ The aim of this target is for 80 per cent of the population aged 20-64 to work in jobs requiring their skills in 2020. Normally discussed in terms of structural unemployment, which is the mismatch between the skills required for available jobs and those held by the labour supply due to changes, for example, in technology or taste.

$^{11}$ Equivalent to higher education in the UK.
opportunities – strengthened personal resources and social cohesion which has an allocation of DKK 600 million from the Rate Adjustment Pool Scheme (see below) over four years (Ministry of Social Welfare Ministry of Health and Prevention, 2008b).

The programme covers three main action areas (i.e. children, young people, parents) and seven programme areas:

- early and cohesive intervention
- academic proficiency and early learning
- youth education
- special social problems
- networks
- parental responsibility
- documentation and effect.

**Rate Adjustment Pool Scheme**

The Rate Adjustment Pool Scheme is allocated money from transfer payments. The money is used to fund social, health and labour market policies to help benefit claimants and vulnerable groups. The size of the rate adjustment percentage is determined annually by the Ministry of Finance on the basis of salary trends in the labour market (the rate is currently 0.3 per cent). Parties in Government that signed the rate adjustment pool settlement (in 2003) negotiate and agree how best to spend the funds each year.

**Denmark 2020, Knowledge, Growth, Prosperity, Welfare**

Risks and actions relating to child poverty are addressed in the Government’s national strategy for 2020 (The Danish Government, 2010), although there are very few specific targets. The most pertinent of 10 broad goals for the future are:

- Denmark is to be among the world’s wealthiest countries
- the Danish supply of labour is to be among the 10 highest in the world
- Danish schoolchildren are to be among the cleverest in the world
- Denmark is to be among the best at creating equal opportunities.

**Progress, Innovation and Cohesion – Strategy for Denmark in the Global Economy**

In Denmark’s globalisation strategy (The Danish Government, 2006) 8 of 14 priorities focus on education. The Government aims to create a world class education system, increase participation and completion rates, and raise standards across the board, illustrating the importance placed upon education to improve Denmark’s competitiveness in the global economy. Two of the main objectives within education are (The Danish Government, 2009a):

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12 [http://www.sm.dk/Puljer/satspulje/Sider/Start.aspx](http://www.sm.dk/Puljer/satspulje/Sider/Start.aspx)
Denmark’s primary and lower secondary school is to be the best in the world, where the brightest pupils match the level of the best in other countries and where the level of the weakest pupils is to be raised.\(^\text{13}\)

At least 95 per cent of the youth cohort is to complete a youth education programme\(^\text{14}\) in 2015. It is an intermediate aim that a minimum of 85 per cent of all young people are to complete an upper secondary education in 2010.

While there is no specific youth policy, strategy or system (Haarder, Undated), youth policy is integrated into the general policies that support the Danish democratic welfare society. Each sector (i.e. national government department, regional or local authority that receive substantial funding from the Government) has its own field of responsibility that covers policy and measures designed to continue the Danish method of raising children to be safe and have ample opportunities for development (e.g. through education and active citizenship).

### 5.2 Government departments, roles and responsibilities

Responsibility for welfare tasks is divided between the various ministries:

- **Ministry for Social Affairs and Integration**\(^\text{15}\) is responsible for the central administration of the Danish social security and benefits system. The main responsibilities are policy on children at risk; the elderly; people with disabilities; and marginalised groups including homeless people, people with mental health issues and people who misuse substances, among others.

- **Ministry of Health**\(^\text{16}\) is in charge of the administrative functions in relation to the organisation and financing of the health care system, psychiatry and health insurance, as well as the approval of pharmaceuticals and the pharmacy sector.

- **Ministry of Employment**\(^\text{17}\) is responsible for employment and working; work environment and occupation health; maternity leave; active employment measures; keeping people in work; work-based training; housing benefits; housing services for those no longer in active labour; and supervising local authorities and unemployment funds.

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\(^\text{13}\) Primary school is the first stage of primary education for children, targeting those aged 7-13 years. Lower secondary school is the second stage of primary education for children, targeting those aged 13-17 years. Upper secondary education normally caters to 16-19-year-olds and includes general education to qualify for access to higher education and vocational or technical education to qualify for access to the labour market.

\(^\text{14}\) Akin to upper secondary or 16-19 education


\(^\text{16}\) [http://www.sum.dk/English/The%20Ministry.aspx](http://www.sum.dk/English/The%20Ministry.aspx)

\(^\text{17}\) [http://uk.bm.dk/TheMinistry/The%20Ministry.aspx](http://uk.bm.dk/TheMinistry/The%20Ministry.aspx)
The Ministry’s remit covers unemployment, cash, sick pay, maternity and holiday benefits.

- Ministry of Children and Education\textsuperscript{18} carries out the Government’s education policy. Its mission is to create world class education programmes that offer high quality education for all, regardless of background.

There is a strong devolution to the regions, and in particular municipalities. Denmark is divided into five regions and 98 local authority areas. Regions and local authorities are independent, politically controlled organisational units. The five regions, each with popularly elected members, are tasked with ensuring the quality of the Danish Healthcare System and specialised social services, and the regional development of education, employment and culture, among other areas\textsuperscript{19}.

Local authorities carry out a considerable amount of welfare tasks. Governed through legislation, they assess the need for social services. They also ensure that public welfare services respond to individual circumstances and needs and are in the interests of local conditions. Responsible for fixing and levying taxes, planning and providing a broad spectrum of social services (including daycare facilities and support for unemployed people), municipalities also implement social security schemes, such as child allowance. This explains differences in the service level from one local authority to the other and varying tax rates: the highest local tax rate being about 28 per cent and the lowest about 23 per cent in 2011 (The Ministry of Social Affairs and Integration, 2011).

The majority of welfare tasks are performed by public employees but local authorities have contracted out certain social services to private enterprises, businesses and voluntary organisations. Greater involvement of voluntary organisations to enhance social welfare efforts is an existing Government aspiration: DKK 100 million was set aside in 2011 in support from the Rate Adjustment Pool (The Danish Government, 2010). The public also has opportunities to influence how their life and situation is defined by the authorities through, for example, advisory user councils.

5.3 Policies, programmes and initiatives

When compared with other OECD countries with high child poverty rates (e.g. US, UK), Danish programmes, for the most part, are not specifically designed to tackle child poverty. Historically, Denmark has low child poverty rates in the context of successful active employment policies and universal family support, and it is these policies that are the primary focus in this section.

\textsuperscript{18} http://www.eng.uvm.dk/The-Ministry/The-Ministry

\textsuperscript{19} http://www.regioner.dk/In+English/Publications+and+Policy+Papers/~/media/Filer/Om\%20regionerne/Regionerne\%20-%20kort\%20fortalt\%202011\%20-%20engelsk.ashx
5.3.1 Policies to increase families’ financial resources

Active labour market policy (ALMP)

ALMP aims to help unemployed and employed people who are looking for a job or wishing to undergo training or education in private and public enterprises. All unemployed people have access to employment measures irrespective of whether they are receiving unemployment benefits, social assistance, start-help or sickness benefits. They are expected to look actively for work or participate in a programme to promote their job prospects – the so-called ‘mutual obligations’ approach. ALMP has four overall objectives:

- to assist jobseekers in finding a job
- to offer services to private and public employers who are looking for labour or wish to retain their workforce
- to help people who are receiving social assistance or start-help to find a job quickly so that they will be able to support themselves and their families
- to help people who due to reduced working capacity have a special need for assistance in finding a job.

ALMP - Employment activation programmes

Activation programmes can include general and vocational guidance, job search assistance, individual job-oriented action plans, private and public job training, education, leave schemes, job rotation and the sharing of full-time jobs (Hendeliowitz, 2008).

Examples of recent initiatives include:

- more traineeships (5,000 in 2011) within the Employers’ Trainee Reimbursement (AER) Scheme
- a bigger range of training programmes for unemployed workers, both skilled and unskilled, including an option of six weeks of training of their own choice
- one year extension of a pilot scheme to help unemployed workers re-qualify for new jobs.

In Copenhagen the ‘House of Development’ (also known as the Centre for Progress and Job training) was set up by local government as part of the Municipal Job Centre to help people who are dependent on benefits and need special employment access support, many of whom have an immigrant background (Eurochild, 2011). It is a highly structured employment activation programme designed to get people back into work and into the social insurance system and incorporates:

- tailored job plans for a period of 3-6 months
- training
- work experience placements
- internships
- psychological and counselling support for those who need it to become work ready (approximately half of attendees)
- childcare
- discrete youth programme for 18-25-year-olds
- longer-term integration programmes for immigrant attendees.
Financial incentives are provided to employers who hire people from the Centre. The Centre tries to match aptitudes and interests to available jobs but ultimately, people are trained to meet labour market demand, and non-cooperation results in loss of benefits. Moving into employment typically moves employees out of poverty as the minimum wage is relatively high.

Young people have been a particular target group for employment initiatives in recent years based upon the ‘right and duty’ principal when it comes to training and work. Initiatives include (The Danish Government, 2012b):

- more unemployed young people will be trained through the adult apprenticeship scheme
- job rotation for unemployed young people with higher education
- job and skill development package for ‘academically weak’ young people
- targeted training (including separate active measures within the construction sector)
- basic skills courses for more young people
- trainee programmes to give unemployed graduates to the labour market.

**Social security**

A wide range of social security measures are in place, some of which are available to all and other benefits are targeted at particular groups.

*Social assistance and starting allowance* (activation measures and benefits) are offered when an adult person is temporarily without sufficient means to meet their needs due to particular circumstances (e.g. sickness, unemployment). The benefit is family-based and depends on age, dependent children and period of residence. The calculation basis of social assistance is 80 per cent of the maximum unemployment benefit for parents with children living in Denmark and 60 per cent of this maximum for people without children. There is a special rate for young people under 25 years of age and for the starting allowance (European Commission, 2011). Recipients must accept appropriate offers to participate in activation measures or in any measure aimed at improving the possibilities of labour market integration (e.g. job seeking courses, work experience).

*Unemployment insurance* is voluntary and distributed according to the various (sector-based) branches; two insurances are reserved for the self-employed. The insured pay contributions. These contributions and those that employees and the self-employed pay into the Labour Market Fund cover part of the State share for the expenses related to the unemployment insurance. To qualify for unemployment benefit, individuals must be out of work, have registered with a

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20 Unemployed people are entitled to receive compensation for lost income but must seek jobs and attempt to up skill in return.
public employment service (Jobcenter), be actively looking for work and be available for the labour market (European Commission, 2011).

*Family allowance* is given to all families with children under the age of 18. On 1 January 2011 this amounted to €2,281\(^{21}\) (0-2 years), €1,806 (3-6 years) and €1,421 (7-17 years) annually per child (Olesen, 2011). Family allowances were increased significantly in 2008 (especially for children under 3 years). The tax authorities administer the family allowance, and both family allowance and child allowance (below) are tax-free amounts, paid quarterly independent of the income. Central government pays the expenditure.

*Child allowance* is payable to certain groups of children under 18 (Olesen, 2011):

- Ordinary child allowance is payable to lone parents and to parents who both receive a pension under the Social Pensions Act. The allowance is €666 annually (January 2011).
- Extra child allowance is payable as a supplement to the ordinary child allowance to lone parents who have the child living with them. The allowance is €678 annually irrespective of the number of children.
- Special child allowance is payable to children who have lost one or both parents, or when paternity has not been determined. Furthermore, a child may qualify for the special allowance if one or both parents receive a pension under the Social Pensions Act and in some other cases. The special child allowance is €1,701 annually per child. An orphan receives twice this amount.
- Multiple birth allowance is granted in the event of multiple births and until the children reach the age of seven. The multiple birth allowance is €1,098 annually for each child.
- Adoption allowance is granted to adopters of a foreign child through one of the recognised adoption organisations. The allowance is €6,323 and is payable as a lump sum to cover some of the expenses incurred in connection with the adoption.

General family benefits and the various other family allowances are administered by local authorities.

*Cash benefits* are for employed and self-employed people and assisting spouses in connection with pregnancy, maternity or adoption. The daily cash benefits are paid by the local authority. If an employer pays wages or salary in connection with absence due to maternity, the employer is entitled to reimbursement from the local authority.

- The Danish parental leave system is amongst the most generous and most flexible in the EU. A total of 52 weeks (one year) of leave (maternity, paternity and parental) is available to parents (Eurochild, 2011).
- A pregnant woman is entitled to daily cash benefits starting from four weeks before the due date set by her doctor. In case of sickness she is entitled to maternity benefits before the four-week period.

\(^{21}\) One Euro (€) is approximately .80 GBP (£).
Parents are entitled to maternity benefits for a total of 52 weeks. During the first 14 weeks, normally only the mother may receive the benefits. During this period, the father is entitled to paternity leave with daily cash benefits for two weeks. The father may also be granted benefits if the mother is unable to care for the child due to serious illness or death. The parents may decide for themselves how they will distribute the last 32 weeks of the time they receive maternity benefits. During parental leave, an amount equivalent to 60 per cent of the unemployment benefit is payable.

Adopters are entitled to daily cash benefits for 46 weeks after they have received the child.

**Flexible labour market**

The flexible labour market aims to make work a financially attractive option for the nearly one-fifth of the work force struck by unemployment each year to qualify and motivate them to find work. In 2012, the Government introduced initiatives to: a) promote employment and labour supply (by 5,000 people 2020) and b) help ensure that the vast majority of people who become unemployed quickly find a new job (The Danish Government, 2012b). These initiatives are:

- **Disability pension reform**: vulnerable and exposed persons under 40 years of age will not, initially, have access to disability pension. Instead rehabilitation teams will be established in local authority areas to deliver holistic and individualised support to help them stay in work for longer.

- Changes to the *flex-job scheme* for those with permanently reduced working ability were created as an alternative to disability pension. The largest subsidies are now paid to unemployed people on the lowest wages and with the least working capacity. Flex-jobs will be made temporary for young people. Unemployed people who have been referred to a flex-job will have the same active employment options as other unemployed.

In supporting people to return to work in recent years the Government has also (The Danish Government, 2010):

- put a ceiling on some of the lowest benefits such as social assistance and introductory benefit
- tightened availability rules and rules for supplementary unemployment benefits
- made it easier for unemployed people to find work by increasing the amount of contact they have with support services and the range of options available to them
- made it easier for people given notice of dismissal to receive education and training
- extended the work-sharing scheme designed to help mitigate the effects of the global financial crisis by providing companies and employees with an alternative to redundancy
- placed special emphasis on immigrants and on avoiding long-term unemployment among young people.
However, in response to growing concerns about rising poverty and numbers of disadvantaged children, the Government abolished the lowest social assistance benefits from January 2012 (start-help, introductory benefit, the ceiling on social assistance benefits, and the ‘hour rule’ restricting people to qualify for social assistance). The change is estimated to involve an increase in benefits for about 16,000 whole-year benefit recipients. The ceiling on assistance to children and young people has also been abolished, which means that families are entitled to full allowance for all children regardless of how many children they have. Financially, the improvements involve DKK 350 million additional public expenditure in 2012, increasing to DKK 412 million in 2015 (The Danish Government, 2012b).

For those in work, the Government has introduced more flexible working policies. Family policy in Denmark aims to support families to improve work-life balance and outcomes through the range of benefits described above plus extensive leave rights, universal childcare and flexible working hours (Eurochild, 2011). Since 2008, parents working in the public sector have been entitled to paid leave on the second day of a child’s illness. The period of paid parental leave was also increased from 12 to 18 weeks (Ministry of Social Welfare, Ministry of Health and Prevention, 2008b). In much of the public sector parents can record ‘plus hours’ to enable them to save funds for a limited period to help finance a later period with part-time employment and a lower salary. Denmark also has one of the shortest working weeks in the EU (average 35 hours) and parents are able to choose part-time or flexible working hours.

**Flexicurity**

The ALMP and flexible labour market are two sides of the Danish three-sided mix of active employment policy, a flexible labour market and social security. This concept termed ‘flexicurity’ (a contraction of flexibility and security), underlies these policies and programmes based on the assumption that public interventions are necessary to ensure adaptability among both employers and employees, which is crucial for the labour market to function well. Together they offer guidance, a job or education to all unemployed. The policies consist of flexible rules for hiring and dismissing during periods of recession and a high level of security for wage earners who become unemployed, regardless of their spouses’ incomes. Elements of the model (active employment policy, a flexible labour market and social security) have consistently been adjusted to help maintain relatively high employment rates.

**Tax reductions**

Tax on income has been reduced in recent years to make work pay more. A tax freeze saw tax on earned income reduced three times (in 2004, 2007 and 2010). The comprehensive reform of direct and indirect taxes abolished the middle-bracket tax for all tax payers, reduced the number of people paying top-

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22 When a couple has received social assistance benefits for two years it is a condition of continued help that they can both prove they have had regular work in at least 450 hours. If not, the person most marginal to the labour market loses social assistance benefit.
bracket tax and introduced a special earned-income tax credit for those in employment (The Danish Government, 2010).

Monitoring Danish policies to increase families’ financial resources

The first five experiments of a study testing the effectiveness of ALMPs from 2005-2008 showed (Rosholm, 2011):

- The duration of unemployment amongst the newly unemployed reduced by three weeks when they received early and intensive support (job search assistance and frequent meetings with case workers) and were in the programme full-time for at least 13 weeks.
- Men, in particular, were positively affected by the threat of early activation, i.e. having to accept the first available opportunities for work or training.
- All were positively affected by a greater frequency of case worker meetings (every one or two weeks compared with a minimum of every 13 weeks in the control groups).

A cost-benefit analysis by The Danish Economic Council (2007) found net benefits of ALMPs of €2,000 per unemployment spell.

As a result of the perceived success of ALMPs, current policy dictates that unemployed people are invited to interview every month after the first welfare-to-work offer and receive improved guidance and support with literacy and numeracy (The Danish Government, 2010).

5.3.2 Policies to reduce families’ expenses

Childcare

All children older than 26 weeks can take up a place at a daycare facility until they reach school age (The Ministry of Social Affairs and Integration, 2011). Seventy per cent of Danish children between 0-2 years (91 per cent of children between 1-2 years) and 97 per cent of all children between 3-5 years attend publicly supported daycare facilities. Parents pay a maximum of 25 per cent of the budgeted gross operating expenditure for daycare services. Fees are relative to income so lower income families pay at a reduced rate or receive services free of charge. In addition, parents receive a sibling discount.

Recent legislation has shifted the focus of childcare to promote child development within an agreed curriculum. The curriculum supports children’s language development and socialisation. The aim is to create greater coherence between daycare facilities, schools and after-school provision, as well as having a regulatory effect on quality control. Practically all daycare facilities have managed to implement the curricula, with largely positive results (Ministry of Social Welfare Ministry of Health and Prevention, 2008b). Approximately 70 per cent of day care staff are pedagogues23, though not all are qualified.

23 The concept ‘pedagogue’ is specific to Denmark. Pedagogues have a very broad qualification and are employed both in child care services, in centres for people with
VIDA Project - Knowledge-based efforts for socially disadvantaged children in day-care:24 a research project hosted by the Danish School of Education, Aarhus University, commissioned and financed by the Ministry of Social Affairs from 2010 to 2013

Aim: test and document which types of pedagogical daycare efforts are most successful in providing better opportunities in life for socially disadvantaged children.25

VIDA will: update materials for working with socially disadvantaged children, introduce a new IT-based tool to help daycare centres reflect on their own practice, and employ the IT tool to help train daycare staff to identify socially disadvantaged children early. The overall approach encourages preschool teachers to be reflective, to share best practice and to develop new practices at a local level, based on analyses and reflection on everyday practice and the children.

Methodology: 6,000 children in 120 daycare centres in four municipalities, divided into three groups:
- Group 1 focuses on the children’s well-being and learning (i.e. the VIDA model programme)
- Group 2 also focuses on the children’s well-being and learning (as in Group 1), as well as parental involvement (i.e. the VIDA + parents model programme)
- Group 3 (the control group) is left to continue with their ordinary practice.

Expected outcomes: The VIDA intervention is expected to have a greater effect on children who are disadvantaged and excluded, but should benefit all children. It is expected that the intervention is especially beneficial in daycare centres where there are many disadvantaged children and in centres where staff education and training leads to implementation.26

Housing

Social housing is provided for a disproportionately high share of very young and old households, the unemployed and single parent families. Housing benefit is normally granted as rent allowance to pensioner households or as rent subsidies to people in active employment. The Danish state has made a major commitment to housing policy expenditure, often spending 2 per cent of GDP per annum on policies since the mid-1950s.27 Danes have also been prepared to pay, on average, high proportions of their incomes (typically 30 per cent) on housing. As a consequence, housing policies are long standing and the housing physical disabilities and services for older people, although most work in early childhood education and care.

24 http://www.dpu.dk/en/research/researchprogrammes/organisationandlearning/vida/
stock is largely of high quality resulting in less acute housing problems relative to poorer EU countries.

There are, however, specific problems regarding neighbourhood quality (i.e. in areas with older private rental housing or older multi-storey estates), access and affordability. Coupled with an ageing population, family breakdown and rising unemployment (near the EU average rate), there are new housing-related problems that the Government has set out to address in its national strategy for 2020. New initiatives include (The Danish Government, 2010):

- formulation of a comprehensive ‘ghetto strategy’ to address the physical structures and resident composition in areas of concentrated poverty with the aim of achieving greater balance in these housing estates
- increased efforts to reduce the number of homeless people (approximately 5,000 in 2011) who do not have any form of accommodation, by improving targeted socio-pedagogic support
- counselling support for tenants who have not paid their rent to try and prevent eviction.

These efforts follow a pilot scheme to provide financial support and lasting housing for people with social problems, which was made permanent in January 2009 (TARKI, 2010).

### Housing First Europe

Housing First Europe,\(^{28}\) funded by the European Commission, started on 1st August 2011 and is planned to last for 24 months. The ‘Housing First’ approach aims to increase access to permanent housing on the basis that housing needs to be secured before people can be expected to make progress in other areas, such as substance misuse. As detailed in the Government’s homelessness strategy (Ministry of the Interior and Social Affairs, 2009), the approach aims to prevent problems (e.g. drug dependency) from developing by providing a secure and stable home. It also aims to help people with existing problems via home visits from social workers who provide support and monitor progress. Housing First projects in Denmark and four other European cities will be evaluated from a European perspective to give greater clarity on the potentials and the limits of the approach already tried and tested in the US, as well as the essential elements of Housing First projects.

### 5.3.3 Policies that promote child well-being and early intervention and prevention

Until recently child poverty has not been perceived to be a problem in Denmark, hence the lack of programmes designed specifically to tackle child poverty. Traditionally, policies have been designed to prevent child poverty in the first place and have largely been successful.

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\(^{28}\) [http://www.housingfirst.fi/en/housing_first/housing_first_in_finland/international_cooperation/housing_first_europe](http://www.housingfirst.fi/en/housing_first/housing_first_in_finland/international_cooperation/housing_first_europe)
While efforts to support children’s well-being are often integral to everyday practice, some targeted initiatives do exist and more are planned (i.e. there are currently 90 initiatives to improve the conditions of vulnerable and socially disadvantaged groups from 2012-2015). Greater focus is now being given to children’s rights and the most disadvantaged children (The Danish Government, 2011). Specific examples are given where available in English.

The National Report on Strategies for Social Protection and Social Inclusion 2008-2010 (Ministry of Social Welfare Ministry of Health and Prevention, 2008a) sets out a broad and comprehensive range of social service offers. These are considered to be essential to the Danish welfare model, which helps families choose to work by helping them meet their dependents’ needs. Below is a brief summary of universal early intervention policies and targeted initiatives.

**Generic early intervention policies**

These policies do not appear to have associated programmes as such, and are instead integral to everyday practice:

- statutory requirement by local authorities to formulate child policies linking general and preventative work with targeted initiatives
- improved support for expectant families vis-à-vis healthcare and social networks
- efforts to enhance tools to help identify socially disadvantaged children and reduce the age at which they start to receive support for health visitors, childminders, early childhood educators, teachers and other professionals
- contact with a health visitor immediately after birth, coupled with later enrolment in daycare facilities to detect problems early, act quickly and react responsibly
- transition interviews from health visitor to crèche, crèche to daycare centre and daycare to school.

**Targeted initiatives**

While target groups are specified, there is little available detail (in English) on these initiatives because of the devolved nature of many policies. We present some basic information below:

- Each year (via the Rate Adjustment Pool) considerable funds are earmarked for the most vulnerable groups in society. A total of DKK 5.3 billion for 2009 and 2010, for example, has been set aside in the period 2009-2013 for initiatives targeted at people with substance misuse problems, sex workers, homeless people and people with mental health needs, as well as vulnerable children and young people. Services include, for example, a treatment guarantee for young people with severe substance misuse problems, psychological assistance for young people with mental health problems and improved crime prevention activities.
- special focus on the most socially disadvantaged identified as ‘especially disadvantaged pregnant women’, ‘marginalised mothers of infants’, ‘socially disadvantaged fathers’ and ‘infants from immigrant backgrounds’
• special support for children identified as at risk of a significantly lower learning outcome

• targeted initiatives to improve educational standards and achieve greater open-mindedness in schools for children with academic problems (e.g. with learning difficulties), pupils with social problems (e.g. loneliness, bullying, behavioural difficulties), absent pupils (illegal and for an extended period of time) and children in care including peer-to-peer counseling and adult friends for children

• foster care reform to enhance the quality of casework and tighten the requirements for investigation of cases involving children (launched in 2006)

• local examples of improved cooperation between schools and local authorities on tuition of children in care.

Targeted support for young lone mothers in Copenhagen. Only around one in five (22 per cent) young lone mothers in Denmark are able to access training or get into the higher education system, and approximately 1,000 babies are born to young mothers in Denmark annually. Alexandra College in Copenhagen is a specialist resource that aims to help young lone mothers or expectant mothers from disadvantaged backgrounds to get good educational qualifications, employment and an independent life. The college is a small, self-governing residential establishment with capacity to accommodate 11 young mothers and their children for 2-3 years. The young mothers receive counselling, social guidance and care. Places are funded by the municipality and the admission criteria are selective. The college is costly, but has an almost 100 per cent ‘success’ rate.

Education as the foundation for child and family well-being

The Government places great emphasis on improving children’s experiences of education and enhancing educational outcomes to help achieve its goals for 2020 including having:

• some of the cleverest children
• one of the more equal societies
• a better supply of labour when compared with other countries.

All young people are expected to have a qualifying education. According to rules introduced in 2009, education is the first priority for the young unemployed without a proper qualifying education (The Danish Government, 2009a):

• Young people under 25 years without dependants and without education will be obliged to follow an education on standard conditions.

• Young people of 18-19 years who leave school without starting an upper-secondary education will be immediately offered work on referral to a jobcentre.

• Young people under 30 years without training or a job who are stuck in unemployment will get a new chance.
In addition to the Government’s main education policy objectives\(^{29}\) (introduced in section 5.1), the following broad objectives within the field of education are:

- Education programmes are to be attractive and of the highest quality.
- The general upper secondary education programmes are to provide pupils with good academic and general competences enabling more to complete higher education.
- The vocational education and training programmes are to challenge the most talented pupils and provide them with increased possibilities for higher education. At the same time, the programmes are to provide realistic educational and training possibilities for academically weaker pupils.

**Education programmes and activities:** The most relevant education programmes and activities from early years up to lower secondary education are summarised here. Drawing on a progress report from the Government,\(^{31}\) monitoring data and evaluation findings are presented in boxes where applicable:

- a ‘reading pledge’ to ensure that all children are able to read well before they leave second form funded by a targeted reading fund
- language assessment of all three-year-olds
- compulsory language stimulation for bilingual children
- supplementary training courses for early childhood educators on socially disadvantaged children in daycare facilities
- Book Start programme (as in Great Britain)
- action plan for reading
- a 360 degree examination of primary and lower secondary school to raise standards across the board
- initiatives to strengthen the transition from primary and lower secondary schools to upper secondary schools (cf. Denmark’s NRP 2008).

In 2012, planned measures to promote education are (The Danish Government, 2012b):

- a bill to strengthen the inclusion of pupils with special educational needs in primary and lower secondary school, combined with greater freedom and responsibility to municipalities to offer a better primary and lower education and targeted support for those most in need
- reform of primary and lower secondary school to provide equal opportunities for all, including initiatives to ensure all pupils attain a professional standard in Danish and mathematics, the continued

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\(^{29}\) Denmark’s primary and lower secondary school is to be the best in the world, where the brightest pupils match the level of the best in other countries and where the level of the weakest pupils is to be raised. At least 95 per cent of the youth cohort is to complete a youth education programme in 2015 (The Danish Government, 2009b).


\(^{31}\) Annex 2. Initiatives in the field of education Denmark’s National Reform Programme – First Progress Report. October 2009
development of an evaluation culture and an increase in teaching hours.

**Youth education:** An inter-ministerial committee is being established to identify coherent, evidenced-based and cost effective measures increasing the number of young people completing an upper secondary education.\(^\text{32}\) There are three core themes: vocational upper secondary education and training; the challenge of ensuring everyone completes an upper secondary education; and general upper secondary education. The committee’s work will involve drawing up reforms to the tax system to try and establish a fairer distribution of resources. The work of the committee builds on the Government’s efforts in recent years to:

- strengthen vocationally-orientated youth education programmes
- increase the intake (including young people with special needs), choice and opportunities for work-based training opportunities
- provide more practical training placements

Drawing on a progress report from the Government, the number of local authorities that implemented basic vocational education and training increased by approximately 23 per cent between 2006 and 2008. Intake to the basic vocational education and training programme rose between 2006 and 2008 approximately 24 per cent.

Three out of four colleges believed they can already observe or expect less absence and drop-out as a result of short internships. In addition, an evaluation of increased training places reach-out efforts and guidance revealed that the colleges’ efforts to support weak pupils in finding in-service training places significantly improved.

- ‘ladderise’\(^\text{33}\) and differentiate by ability

Thirty per cent of colleges estimated that ‘ladderisation’ and differentiation by ability have a positive influence on programme retention for pupils with limited learning prerequisites, and 19 per cent of the colleges believed that the possibility of stepped education and differentiation by ability will lead to more pupils starting higher education in the longer term.

- introduce individualised action plans and mentor schemes (particularly to support transition), and improve early information, advice and guidance to help better meet learners’ needs and ambitions and to improve retention and completion rates

Action plans gave colleges better insight into problems and solutions for drop-out and, thus, a better starting point for working with young people who learn at a slower pace and/or have additional learning needs.

- offer enhanced social and psychological support services

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32 Akin to further education for 16-19 year olds in the UK
33 Ladderisation provides access ramps for easier transition and progression between vocational and higher education.
Forty per cent of the colleges perceived that enhanced social and psychological services had a positive influence on the pupils’ well-being, which can contribute to reducing drop-out. The majority of the remaining colleges anticipated favourable influences in the long-term.

- offer in-service training for teachers

Two-thirds of vocational college teachers perceived that their participation in in-service training had an impact on their teaching practice, and 70 per cent responded that observers can watch in-service training in their practice.

- systematically collect data to inform efforts to enhance course completion
- establish a national task force with expertise in young people to provide advice to job centres
- establish a flexible class size limit of 28 students in general upper secondary education.

Evaluation findings indicated that there are some positive trends towards the fulfillment of the 95 per cent objective that all young people should complete an upper secondary education in 2015. For example, the share of a youth cohort obtaining an upper-secondary education five years after ninth grade rose between 2006 and 2007. Only 17 per cent of the pupils who commenced a basic course in the second half of 2008 dropped out without choosing another basic course, compared with 22 per cent the previous year.

Youth guidance: Forty-five municipal youth guidance centres provide guidance services for young people up to the age of 25 years, each with an overall framework defined by the local authority. In line with the high importance placed upon education both as a foundation for individual well-being and labour market affiliation – and as a means to extend Denmark’s position in the global economy – the centres focus on guidance related to transition (e.g. from compulsory school to youth education or, alternatively, to the labour market). Activities include individual and group guidance sessions, as well as introductory courses and bridge building schemes to give pupils in forms eight to ten (age 14-16) a ‘taste’ of conditions, levels and requirements at different youth education institutions. The main target groups are:

- pupils in primary and lower secondary school: forms 6-9
- young people under the age of 25 years who are not involved in education, training or employment who receive outreach services from the centres (who are obliged to establish contact with these young people and help them get back into education and training or employment)

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34 Annex 2. Initiatives in the field of education Denmark’s National Reform Programme – First Progress Report. October 2009
other young people under the age of 25 who contact the centres themselves for guidance
young people who need extra help and guidance to continue or complete education programmes.

Cross-sectoral cooperation (between primary schools, lower secondary schools, youth education institutions, businesses and job centres) is emphasised in the Danish legislation on guidance to ensure a coherent guidance system and a regular exchange of experiences, knowledge and best practice. The youth guidance centres may be considered the first step in a lifelong guidance process.

**Parental responsibility and support**

The Danish Parental Responsibility Act of March 2006 was introduced to improve parents’ responsibility for their children. It typically instructs parents to take action in circumstances where it has not previously been possible to establish well-functioning cooperation between parents and authorities on the welfare of a child. A wide range of initiatives have been introduced to tackle parent’s ability to support children’s school attendance, for example, family treatment units for parents with drug and alcohol misuse problems and homework cafes.³⁶

Supporting parents is one of the Government’s key actions in the national strategy for 2020. Below are listed the most recent parenting programmes, which began with support from the national level and are funded on solid evidence of success, based on experiences from the US and Australia (Olesen, 2011).

- **Home Instruction for Parents of Preschool Youngsters (HIPPY, HIPP HOPP in Denmark):** a parenting programme aiming at improving school readiness for children between the age of 3-6 years using both one-to-one meetings with parents and groups sessions
- **Ready for Children:** a programme delivered in group settings for parents expecting or with newborns who are at risk of harming their child or displaying harsh parenting
- **Parent Management Training the Oregon model (PMTO):** a parenting programme that offers one-to-one counselling to parents of children from 4-12 years with severe behaviour difficulties (e.g. ADHD)
- **The Incredible Years (IY):** a series of programmes designed to help children with severe behaviour difficulties (e.g. ADHD), which includes a group-based parenting programme for parents of children from 2-4 years
- **Multi-Systemic Therapy (MST):** a parenting programme for parents of adolescents between the age of 12-17 displaying severe behaviour difficulties and criminal behavior using one-to-one counselling

³⁶ Attempts have been made to evaluate models contracts (Ministry of Social Welfare Ministry of Health and Prevention, 2008b), but these could not be sourced.
Multidimensional Treatment Foster Care (MTFC): a treatment programme for adolescents between the age of 12-17 displaying severe behaviour difficulties and criminal behavior who need a temporary out of home placement, which includes thorough parenting support to the biological family via one-to-one sessions.

5.4 Measurement

As previously highlighted, the Government has recently introduced a social policy objective to reduce poverty and ensure equal opportunities for all, and to aid efforts to tackle poverty is also developing indicators to measure child poverty. The lack of monitoring and measurement to date is likely due to historically low child poverty rates. Monitoring and evaluation data has been included in this case study where applicable and available in English.

6. Overall lessons for Northern Ireland

- give greater flexibility to local authorities to respond to local needs and help mobilise and involve everyone in society
- work together
- combine universal provision (make it the norm not the exception) with targeted efforts for specific vulnerable groups - old adage that prevention is better than cure
- integrate information, advice and guidance to support individual choices and transitions between education, employment and unemployment
- adapt and respond to socio-economic changes at national, regional and local levels.
References


The Danish Government. (2012c). *Reference for the Committee of Experts to illustrate the methods to calculate poverty and the proposal for a Danish poverty line*.
