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RESCALING SOCIAL WELFARE POLICIES IN DENMARK

NATIONAL REPORT

RESEARCH DEPARTMENT OF SOCIAL POLICY AND WELFARE SERVICES

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Policies in Denmark
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Rescaling Social Welfare Policies in Denmark

National report provided by

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Introduction

This report is a contribution to the research project "Rescaling of Social Welfare Policies: a comparative study on the path towards multilevel governance in Europe". The project is coordinated by the European Centre for Social Welfare Policy and Research.

The report is a background paper for the project. It provides background information for understanding the rescaling process in Denmark. The report has a three-fold purpose. First, it describes the contextual conditions within which the rescaling process occurs. Second, it describes the institutional settings in terms of territorial responsibilities and competences, identifying the relevant actors involved in policy design, management and delivery. Third, it describes the rescaling process that has occurred in Denmark since the 1980s; it focuses on four policy areas: social assistance and local politics against poverty, employment policy, elder care and integration policy.

The report contributes to a project with a European scope, and we have therefore aimed at writing the report in a way consistent with the contributions of the other countries by using the template provided by the methodological group. However, this has proven challenging concerning the timeframe, which was 1980-2005. When describing significant changes in Denmark, it has sometimes been necessary to go back to the 1970s, because the 1970s marked the period of the first local government reform. We believe it immensely important to view the rescaling process in the Danish context in the period 1980-2005 with this 1970s reform in mind, because the later decentralisation was orientated towards institutions that were already the main welfare providers.

The end of the timeframe 1980-2005 has also concerned us, as Denmark is currently undergoing the biggest structural reform since the 1970s. This is again labelled the local government reform. This reform came into force in January 2007. It implies changes in many of the issues concerning this report. When engaged only with changes until 2005, the report therefore describes a closing chapter in Danish administration history. We have been in doubt whether simply to extend the timeframe until 2007 or whether to omit the reform from this report. We reached a compromise: not to describe the reform and the theoretical discussions concerning it in detail, but to include a brief description in the section on "changing institutions", and to touch upon it when it has consequences for the policy areas.

Roughly outlined, the local government reform of January 2007 entails both centralisation and decentralisations of tasks. The counties will hand over tasks to both the central government and the municipalities. The number of counties (*regions* after the reform) will be reduced and their size will increase through merges. The taxation right of the regions will be abolished; their funding will consist of a state block grant and various state and local activity related contributions. The main intentions behind the reform are the avoidance of 'grey zones' of responsibilities between the municipalities and counties and reductions of costs through the economics of scale. Moreover, the government has claimed that the decentralization of tasks to municipalities means that more citizen-

related tasks will be solved locally and will thereby strengthen local democracy and participation (Ministry of Interior and Health 2005).

Another comment must be made to this report. The purpose of the report is mainly to provide descriptions and background information that can be used to describe developments in a European perspective. We have therefore emphasised information on developments, and have refrained from providing theoretical analysis of these developments. We have, however, pointed to some ongoing discussions or debates when we have been able to identify them. Unfortunately, Denmark will not take part in the future part of the project, but we look forward to following the work of our European colleagues.

1. Changing context: demography, economy, society, politics

1.1 Socio-Demographic Patterns and Trends

Denmark is facing the same demographic change as other western countries: growing life expectancy combined with a fertility rate that is not expected to increase sufficiently to ensure reproduction (Velfærdskommissionen 2005: 87); and Denmark is struggling to come to terms with a population with an increasing proportion of immigrants or descendants of immigrants. These two demographic tendencies pose challenges to the Danish welfare system.

Ageing population

The ageing population is a challenge inasmuch as the elderly are supported through a system based on relatively wide-ranging welfare provisions that are granted individually, and financed collectively through taxes. Taxpayers are thus supporting the retired part of the population as opposed to pay-as-you-go schemes. The Danish pension system can therefore be understood as being part of a hidden social contract between the generations. As the proportion of elderly people will increase and the percentage of people on the labour market will decrease, a challenge is posed to this social contract, as we know it, between the generations (Ibid. 87). Denmark has a population of 5.4 million people. The National Welfare Commission estimates that in 2040 the overall number of people in the labour force will have declined by 340,000 compared to the number in 2003. In contrast, the number of people on public transfer allowance will have increased by 365,000, which will mainly be due to an increase of 486,000 in the group of pensioners (ibid: 90).

The total *number* of elderly people (65+) has increased over the last 25 years, but the *proportion* of elderly people among the total population has been stable. However, within the group of the elderly, the percentage of “old elderly” (80+) has increased from 2.8 % in 1980 to 4.1% in 2005. This is primarily because life expectancy has risen from 74.4 years in 1980 to 77.2 years in 2005 (www.globalis.dk & Bundgaard 2005).

The fertility rate has increased since the beginning of the 1980s, with a historical nadir in the beginning of the 1980s of 1.4 child per woman, The fertility rate then increased until 1995 (Velfærdskommissionen 2005: 92) and since 1995 it has remained fairly constant on a level of about 1.7 or 1.8 children per woman (Ibid: 91). The rate is expected to remain constant in the coming years, due to two opposite tendencies: a tendency to a modest drop in the fertility rate among ethnic Danes and the increasing proportion of women from non-western countries having more children than ethnic Danes (Ibid.: 92).

The combination of an increased life expectancy and a constant fertility rate will cause the *percentage* of elderly people to rise in the future. This tendency is reinforced by the entrance into the labour market of the small birth cohort of the 1980s.

Table 1 Some socio-demographic patterns and trends 1980-2005: number and percentages of elderly persons

0		1980	1985	1990	1995	2000	2005
Elderly persons 65+	Number	734,737	766,054	800,384	798,657	790,402	812,503
	%	14.3	15	15.6	15.3	14.8	15
Elderly persons 80+	Number	142,280	164,385	188,405	204,918	208,836	220,871
	%	2.8	3.2	3.7	3.9	3.9	4.1
Fertility rate			1.4	1.7	1.8	1.8	1.8

Source: Statistics Denmark

Family structure

The family structure in Denmark has not changed markedly during the last 25 years. However there has been a tendency towards smaller family households (table 2). What stands out is that in 2005, 50% of all Danes lived alone. This number has risen from 45.8 % in 1980 to 50 % in 2005. The percentage of single-parent families has also gone up from 3.9 % in 1980 to 4.7 % in 2005. In contrast, the percentage of traditional nuclear families (families with more than 2 persons) has decreased from 25 % to 18.4 %.

Both the number of annual marriages and divorces has increased from 1985-2005, from 22 marriages to 36,148 and from 14,385 divorces to 15,300.

Table 2 Some socio-demographic patterns and trends 1980-2005

	1980	1985	1990	1995	2000	2005
Family composition						
Share of one person families	45.8 %	48.9 %	50.2 %	50.9 %	50.3 %	50 %
Share of single-parent families	3.9 %	4.1 %	4.2 %	4.2 %	4.1 %	4.7 %
Share of two-person families	25.3 %	25.5 %	26.1 %	26.7 %	27.2 %	26.9 %
Share of 2<persons families	25 %	21.5 %	19.5 %	18.3 %	18.4 %	18.4 %
Total	100	100	100	100	100	100
Marriages		29,322	31,513	34,736	38,388	36,148
Divorces		14,385	13,731	12,976	14,81	15,300

Source: Statistics Denmark

The changes in the family structure are not regarded as major challenges to the Danish welfare state and have not been debated to any significant extent.

Migration

The other demographic tendency challenging the Danish welfare state is immigration.

From 1983 Denmark has been an immigration country. Both the annual immigration and emigration increased from 1983 to 2000 (immigration increased from about 30,000 people annually to about 50,000; emigration from about 30,000 to about 40,000). In 2002 changes were made in the immigration policy by the liberal-conservative government. This led to immigration in 2002 being lower than immigration in 2001. In the same period emigration rose slightly, and these two tendencies led to the net-immigration falling from 12,000 in 2001 to about 5,000 in 2004 (Velfærdskommissionen 2005: 94)

However, the enlargement of the EU has already resulted in an increasing proportion of immigrants from the new EU-countries who work in Denmark. This is mainly due to the recent labour shortage in Denmark, which has attracted Polish workers, in particular, to the country (Politiken 2006)

Table 3 Some socio-demographic patterns and trends 1980-2005

	1980	1985	1990	1995	2000	2005
Immigration	30,311	36,214	40,715	63,187	52,915	52,458
Emmigration	29,913	26,715	32,383	34,630	43,417	45,869
Acquisition of citizenship	3,780	3,310	3,028	5,266	19,323	10,197

Source: Statistics Denmark

The growth in immigration was outstandingly high in 1995 (63.187), which was due to the conflict in the former Yugoslavia (table 3). This extraordinary growth coincided with the founding of the Danish Peoples party, which major political cause from the beginning was to limit immigration to Denmark: Since then, immigration policy has been at the centre of the political stage in Danish politics. In 2001 the liberal-conservative government took over, supported by the Danish People Party. The new government immediately tried to limit immigration through restrictions in its Alien Act. This meant a decrease in family reunifications (Table 4). Denmark has also experienced a decline in since 2002, but it is debateable whether this is due to the change in policy or global developments.

Table 4 Residence permits and asylum applications 1999-2005

	1999	2000	2001	2002	2003	2004	2005
Residence permits on the basis of:							
family reunion with spouse/partner	6,637	6,399	6,499	4,880	2,538	2,344	2,498
family reunion with a minor child	2,585	5,934	4,185	3,052	2,170	1,469	1,011
family reunion with a parents 60+	200	238	266	219	83	19	13
Family reunions, total	9,422	12,571	10,950	8,151	4,791	3,832	3,522
Asylum applications		12,200	12,512	6,068	4,593	3,235	2,281

Source: Statistics Denmark

It is difficult to predict the future immigration, because it not only depends on the rules in Denmark, but also on the number of conflicts worldwide as well as the pace of globalization. However, it seems likely that the proportion of the population consisting of immigrants and decedents of immigrants will increase. In 2003, 4.7 % of the population (about 252,000) was immigrants or decedents of immigrants from non-western countries. This proportion is expected to increase to 11.8 % (about 625,000 people) in 2040 (Velfærdskommisionen 2005: 96).

1.2. The State – its organisation and normative foundation

The normative foundation of the Danish state is in principle the constitutional protection. However, for the purpose of this report, the normative foundation is perhaps better understood when the Danish state is approached as a welfare state. Welfare legislation is not constitutionally protected and it is therefore questionable if a “normative” background as such exists.

As a welfare state, Denmark is traditionally understood as a member of the Scandinavian or “Nordic” cluster of welfare states (Esping-Andersen 1990). The Scandinavian model can be seen as offering *universal* social protection; citizens receive social protection because they are citizens. The universal coverage has been interpreted as a primary means to commit the middle class to the working class’s welfare project (Green-Pedersen et al. 2004:5). Consequently, because of this alliance, the provisions meet a certain relatively high level; the services are not too “poor” for the middle class and the support from this group continues.

In many ways Denmark resembles the ideal type of universal welfare state, but in other ways it is also differs from the model. Not all transfers are universal, but are instead based on some kind of need assessment (ibid: 14). Social transfers in Denmark therefore are a mix of universal transfers (which provide only basic safety) and transfers based on need assessments. However, when it comes to welfare services, such as childcare and elder care, Denmark is a typical example of the universal model. These services are provided to the entire population at a comparatively generous level (ibid.: 16).

An important feature of the services is that they facilitate the comparatively high female participation in the workforce, which has led to the perception of the Scandinavian Welfare State as being “women-friendly”. Some approaches to understanding the meaning of the Danish welfare state have therefore stressed that welfare state policies can be seen as ways of reconciling work and family life and solving problems of low fertility and gender inequality (Abrahamson & Wehner 2006: 155).

It is an on-going discussion what the cultural and historical reasons for this model are. It has been suggested that the Scandinavian model can be understood as the consequence of a strong commitment to equality or the presence of a widespread solidarity.

Abrahamson, among others, has thrown doubt upon this rose-coloured idea of universal solidarity by pointing to a tendency of a bipartition of the welfare state. He claims that the welfare system is in some ways best understood as a bifurcated system where the labour market takes care of the well-to-do workers and leaves the less privileged groups in society to the predominantly local institutions (local municipalities or private charities). The feeling of solidarity is therefore mainly felt towards people who look like ourselves (Abrahamson 1999: 55).

What seems exceptional is the political and public consensual support for the welfare state. Although it is debatable whether it was mainly the Social Democratic Party which was the main driving force behind the Danish welfare state and what role other parties played in the process, what seems to be remarkable is that most political parties in Denmark now like to invoke the image that they are friendly to the welfare state (Green-Pedersen et al. 2004:17). In fact, there is no fierce opposition with an urge for large-scale cuts in welfare provision.

Similarly, research indicates that the public largely accepts and supports the high taxes in exchange for the welfare state. Jørgen Goul Andersen has pointed to two important reasons for this general public support: 1) the security or insurance aspect of the welfare states and 2) the reproductive aspect. The insurance aspect simply implies that all citizens receive a comprehensive insurance in exchange for the taxes they pay. The reproductive aspect points to the fact that the welfare state supports the way of life of families and the changed gender roles (Goul Andersen 1993).

The central government, regional and local authorities

Unlike most other unitary nation-states, regional and local authorities in Denmark have considerable power and influence. According to the Constitution, the central government has the prerogative to control the regional and local authorities in great detail. In practice however, the relationship between the national, regional and local governing bodies cannot be described solely as a hierarchical relationship. Another prominent relationship between the central government and local authorities – or *municipalities* – is characterized by *conflicts and negotiations* (Grønnegård Christensen & Christiansen 1997 : 104).

This relationship also highlights the important role that organised bodies play in the relationship between the central government and municipalities. The most important organisation is the *National Association of Municipalities* (in Danish: *Kommunernes Landsforening* or KL). KL plays a pivotal role in negotiations with the central government. It rarely happens that the central government makes contact directly to the municipalities without invoking KL (Blom-Hansen 2002).

KL also plays an important role in the everyday business of control and administration of the public sector in Denmark. The equivalent of KL among regional governments – or *counties* – is the *National Association of Counties* (in Danish: *Amtsrådsforeningen* or ARF), but this organisation does not exert the same kind of influence as KL.

Other important organisations are various trade unions organising public sector workers and professionals. These organisations have a role in the management of many public institutions, such as schools, hospitals, day-care centres etc. This implies that unions and as well as individual workers and professionals have a privileged position in the welfare service management compared to most other countries (Schwartz 2001: 150). For example, teachers have a strong position on the boards of primary and secondary schools and doctors and nurses take part in all levels of hospital management (Ibid.). The

organisations also have an important role in defending these advantages against encroachments from the central government.

The role of public authorities versus families and voluntary organisations

The status of families and to some degree voluntary organisations in Denmark is coloured by the dominating cultural traits: individualism together with an emphasis on providing a social safety net for everyone. These might seem to be contradictory aims, but they could equally be seen as reinforcing each other.

Universal benefits financed by general taxation reduce the individual's reliance on the family or charitable organisations. This 'empowers' the individual and leaves him or her considerable scope for choosing his or her own way of life.

The public provide elder care and child care services as public family policies. In elder care elderly people are entitled to receive home help free of charge and various other help measures. These helpers are salaried workers. The elderly regard these helpers as a neutral source of help (Lewinter 1999: 263). Moreover, the municipality provides residential homes for the elderly in the event that the elderly individual is no longer able to live alone. At no point in time is it the legal responsibility of the family to take care of the elderly.

Childcare services can be divided into the provision of childcare and the funding and compensation rates involved in these provisions (Almqvist & Boje 1999). The municipalities are the main providers of non-parental childcare for the 0-2 age and the 3-6 age groups. Daycare centres are available for the younger group and kindergartens for the older group. The second most important provider of childcare is the family and privately provided care is in third place for both age groups (Ibid.: 283). The funding of non-parental childcare is 30 % financed by the parents. The municipalities can reduce this share if parents have a low income or have more than one child etc. On average, parents pay 20 % of the actual costs for children aged 0-6 years (Ibid.: 279). Denmark relates parental leave strongly to employment experience in contrast to Sweden, for example, where it is more a right of the citizen (Ibid.: 288).

The strong public provider role in family policies financed by the municipalities leaves little scope for voluntary organisations. In contrast to Germany, for example, voluntary organisations play only a minor role in the provision of social care. In social care it is only in aid to the most marginalized groups where a few charitable organisations play a role. However, several private interest organisations play an important role in the implementation of public policies in several other branches of public policy. They form a part of the Danish corporatist welfare arrangements. For example, trade unions play a role in the implementation and administration of unemployment benefits. The *Red Cross* and other charitable aid organisation take part in the international relief effort financed by the Danish state. A refugee organisation plays an important role in integrating refugees in the Danish society in close cooperation with various public authorities.

The financing of public welfare provision

The major part of the welfare state is financed through general taxation. This means taxation through the state and the local governments. Contributions from employers or and employees play only a minor role, primarily in unemployment insurance schemes. In 1997 these contributions amounted to approximately 2 % of the GDP (Andersen et. al. 2001: 172). Total taxation is relatively high, about 50 % of GDP in 1997 (Ibid.). As previously noted, local governments raise a substantial amount of these taxes. Municipalities levied between 17 and 22.8 % of overall taxes with an average of 21.9 % in 2001 (Ibid.: 176). A prominent feature of the tax system is progression. The marginal tax rate for top-bracket earners was 63 % in 2002 and 42 % of taxpayers were affected by this marginal rate, up from 14 % in 1986 (when the marginal rate was 73 %). The intermediate bracket rate was 49 % and 47 % of tax earners were affected, down from 51 % in 1986. The lowest bracket rate was 44 % and 12 % of tax earners were affected, down from 35 % in 1986 (Ibid.: 176).

Public-private partnerships in welfare provisions

Public-private partnerships (PPP) in Denmark are still in their infancy. The model used in the construction of the Great Belt and Oresund bridges used a model resembling PPP. There are currently no projects established with direct reference to a PPP model in Denmark. However, the present liberal-conservative government has high hopes for the model in the future (Erhvervs- og Byggestyrelsen 2005). The model is envisioned to be implemented in the public construction sector, e.g. the building of roads, construction and maintenance of sewers, building of schools and homes for the elderly etc, and not in the daily provision of welfare services. The current status of PPP is viewed with disappointment by the interest organisation *Danish Industry* (DI 6/6-06).

The use of private for profit subcontractors in welfare provision

Contracting out welfare services has been on the political agenda for 20 years. However, the actual level of contracting out has been disappointing seen from the viewpoint of its proponents. In the period from 1985 to 1996 the share of expenditure budgets used for procurement of private sector services varied between 9.3 and 11 % in the municipalities and between 6.5 and 7.2 % in the counties (Grønnegård Christesen & Pallesen 2001 : 188). These figures imply both a modest level of involvement of private welfare providers and a stability of private welfare provision in the 10-year period (Ibid.).

The reason for the lack of success in contracting out, even in a period dominated by a liberal-conservative government ideologically committed to expanding the private sector, can be explained by opposition from strong public employee organisations. Analysis of the period from 1985 to 1997 suggests that it is in the periods of economic prosperity than the amount of contracting out is increased and it is in the periods of austerity that contracting out is decreased. Contracting out thus serves as a so-called buffer for the public producer organisations that can be used to protect the employment of their members in economically bad times (Pallesen 2004). Public producer organisations have several organisational levers to dissuade politicians from contracting out. The collective agreements that cover the public labour market give the public employees the right to be heard on plans to put a particular task out to tender. This gives the employees a strong

position to voice opposition both internally and externally via the media. Moreover, if a given task is contracted out, the new private provider is obliged to adhere to existing union/employer agreements until they expire (Grønnegård Christensen & Pallesen 2001: 189). If the new provider intends to deteriorate the employment conditions for the employees in a renegotiation, the reaction will most probably be a very strong response from the employees and the unions, for example in the media. As the efficiency gains are small in the short term, the politicians have a strong incentive to give in to the demands of the public employees and their organisations (Ibid.).

New Public Management in the organisation of public welfare service

In the scholarly debate, there is disagreement about the exact meaning and implications of New Public Management or NPM. A number of definitions (e.g. Hood 1991) have been suggested, but either there is nothing new under the sun in these definitions or the implications of these definitions are imprecise or vague (Pallesen 1997). In the Danish municipalities and in the health sector administered by the counties, some elements of NPM have been implemented (Ibid.: Hansen 2001). In municipalities, elements of decentralised self-governance in institutions such as nurseries, schools, residential homes for the elderly, youth centres etc have been introduced. The institutions have taken over competencies and responsibilities for the allocations within their total budgets and for their production. The users of public institutions have been granted decision-making competence through elected user councils and user boards. Management by objectives and economic frame regulation have been progressively introduced in the subnational public institutions instead of detailed regulation from the state (Hansen 2001). However, there is a clear bias in the degree of fulfilment of these NPM objectives. The devolution of competence and economic self-regulation has been taken further than the introduction of user democracy and user management (Grønnegård Christensen & Pallesen 2001).

The reason for the difference in fulfilment is the perceived threat to the interests of local politicians as well as organised public producer organisations and trade unions, as already touched upon. A full decision-making right for user boards to manage institutions would be a threat to both local politicians' and public employees' autonomy and their ability to engage in long-term planning and management. Therefore, local politicians have resisted a mandatory obligation to grant full decision-making power to e.g. user boards (Ibid.: 185). This perceived threat is smaller with devolution of competence from the state to local governments. This kind of devolution entails benefits for both politicians and employees. For politicians, devolution means that the blame for mismanagement will be avoided. At the same time, politicians have created loopholes to interfere in the specific delegation to public managers. That is, when it is politically expedient, politicians can make popular concessions to specific user groups or intervene in response to a public outcry about mismanagement or the like (Ibid.).

In the health sector, the implementation of NPM in the 1980s and 1990s was also contested (Pallesen 1997). Some elements were successfully introduced: decentralized budgets and the use of private subcontractors. Other NPM initiatives were curtailed or delayed in the implementation phase: the introduction of General Managers in the different departments in hospitals was difficult to implement. Moreover, the former way

of collective leadership, described previously, is still in place at hospitals. In 1986 the idea of a separation of buyers and producers in the health sector was introduced. This idea has never been implemented (ibid.). The primary reasons for the failures in implementation of NPM initiatives must be seen as resistance from public employees and their organizations. In addition, many of the initiatives were formulated in official state documents. However, the Danish health sector is the responsibility of the counties, whose interests differ from those of the state. The counties are in much closer contact to the public employees and their organizations and find it more difficult to resist their opposition to change.

1.3. The Market, commodification and labour market performance

The Danish labour market is characterized by high employment levels among both men and women. These are among the highest in Europe. In 2002 the employment rate was 79.9 % of the labour force; it was surpassed only by Iceland, Switzerland and Norway. Among men it was 83.8 % and among women 75.8 %. The overall labour force participation has fluctuated around 80 % since the beginning of the 1980s with a highpoint around 1990. Among women, the employment rate has fluctuated around 75 %, also with a highpoint around 1990 (Abrahamson 1999: 41). The decline in employment from 1990 is a result of earlier retirement (Andersen et. al. 2001: 121).

The unemployment rate showed more variation in the 1980-2006 period. The fluctuations reflected the state of the economy. In the beginning of the 1980s unemployment reached more than 10 % as a response to the economic crisis in the late 1970s and early 1980s. Unemployment fell to around 8 % in the mid-1980s and then started a steep increase to over 12 % in the early 1990s as a result of both an international economic crisis and the government's austerity measures. The economic upswing that began in 1994 created an almost decade-long continuous drop in unemployment to the present situation with an unemployment rate below 5 %, with a small increase in the years from 2001 to 2003 (Statistisk tiårsoversigt 2004 : 51). The share of long-term unemployment has been fluctuating closely with the overall unemployment rate (Pedersen & Tranæs 2004 : 25). However, the share of long-term unemployed compared to the overall unemployment rate has declined since 1994. In 2000 the share of those unemployed for a year or more was 22.5 % of the overall unemployment rate (Andersen et. al. 2001: 142).

The sector division between agriculture, industry and service resembles those of other advanced western nations. The share of GDP from agriculture production has been on a long-term decline since the 1820s. The value of agriculture as a percentage of GDP was 4 % in 1999 (Andersen 2001 : 30). However, in terms of export the agri-food sector, consisting of primary producers, food processing, manufacturing, retail and wholesale etc, is the largest cluster in Denmark. The cluster contributes 25 % of export shares (Ibid : 58).

The manufacturing industry's share of the overall Danish employment decreased from 26 % in 1966 to 17 % in 1999 (Ibid.: 31). The relative size of manufacturing is smaller than both the share in OECD countries and other small European countries. The manufacturing sector is characterized by many small and medium sized companies, especially in the wood and furniture sector. The few large manufacture companies are located in the food and beverage industries, as well as in the pharmaceutical industry.

The service sector consists of the private service sector and the public service sector. The overall service sector's (both private and public) share of GDP was 46.2 % in 1999. This figure is compatible with other EU countries¹. In terms of employment, the largest share,

¹ slightly higher than Finland, Iceland and Norway but lower than in the UK and Italy

with 20 % of employment in private service, is business activities, consisting of a large and diversified set of activities, such as accounting, software consultancy, advertising etc. The second largest is retail trade and repair with an employment share of 19 %. Other major activities are wholesale and transportation (Ibid.: 47).

Macroeconomic performance

The Danish public sector has been viewed as large both domestically and abroad, but this is a conclusion with qualifications. The public sector grew from the 1960s to the mid-1980s, when it stagnated. The share of employment of general government and public corporations was 38.6 % of total employment in 1998 (Andersen et al.2001: 54). However, when viewing the share of those employed in public administration, education, health and social work, the Danish share of 22 % in 1997 was only marginally higher than in Belgium, the Netherlands and Finland. The share is only somewhat higher than Germany with 17 % (Ibid.: 56).

The macroeconomic performance in Denmark has shown considerable variation from 1980 to the present time with significant ups and downs. Denmark started the 1980s with severe economic problems. Because of the constraints the EMS (European Monetary System) Denmark could not devalue as much as it wanted. The Danish inflation rate was above the German level, which meant that the market expected the *kroner* to devalue and/or leave the EMS. Thus, the market demanded a risk premium to prevent capital flight. This meant that the interest rate was permanently over the German rate. As a consequence of a breakdown of the fully centralized bargaining system in the end of the 1970s and the beginning of the 1980s the government could no longer secure lower inflation and international competitiveness through negotiated wage restraints with the unions. With increasing international interest rates, increasing unemployment and inflation (stagflation), and increasing public debt Denmark was in grave economic trouble in the beginning of the 1980s. In the words of the Finance Minister, Denmark was “standing on the edge of an economic abyss” (Iversen 1999: 140). The incoming bourgeois government that took over in 1982 made dramatic changes in the economic policy. Changes that are still the cornerstones of the Danish economy. First of all, the *kroner* was pegged to the German *Mark*. This meant that the Danish inflation rate could not be above the German without a significant rise in interest rates, which would cause a slowdown of economic activity and increasing unemployment. All other economic policies were redirected to support the peg. This included liberalization of capital markets, eliminations of fiscal deficits and suspension of cost of living indexation. These measures turned out to be highly successful in the short term. The fiscal deficit was turned into a surplus within a few years. Nominal and effective interest rates dropped markedly. Most importantly, the employment increased nearly 10 % in the period from 1983 to 1988 (Ibid.). However, the success of these measures also led to the reversal of fortunes. Due to large wealth increases in houses and securities, there was an oversupply of cheap credit. The economy started to overheat and in the 1987 bargaining round things got out of control. The booming construction sector was able to secure a 10 % wage increase; the public sector wanted to follow suit. Because elections were coming up, the government gave in to these demands. The result was a massive inflationary surge.

Nevertheless, the government stood firm on the hard currency policy in the form of the peg. Together with austerity measures (the *potato cure*) in the form of new taxes, the result was a severe economic slowdown (Ibid.: 142). Unemployment rose from around 8 % in 1988 to over 12 % in 1993 (Statistisk tiårsoversigt 2004 : 51). The government's stringent adherence to a hard currency policy meant that the subsequent bargaining rounds turned out to have modest wage increases. The new socialdemocratic led government that took over in 1993 also made a firm commitment to the hard currency policy. At the same time it used fiscal expansion in a controlled manner. The economy started to recuperate and set the stage for the present situation with a very strong Danish economy, with low unemployment, inflation and surpluses on both the fiscal budget and the trade balance.

A number of explanations have been given for the present strong performance of the Danish economy. The following will briefly describe the most likely explanations.

(i) **A semi-centralized wage negotiation system together with a non-accommodating monetary policy:** According to Iversen and Soskice's (1999, 2000) modification of Calmfors and Driffill's (1988) famous model, a semi-centralized wage negotiation system supposes that unions will moderate their wage demands, when they have the size to effect the nationwide interest rate. If the monetary policy is conservative or non-accommodating, higher wage demands will lead to higher unemployment within the sector of the union or unions that make wage demands above productivity increases. This deterrence effect will thus create lower overall unemployment. A credible non-accommodating policy has been secured in Denmark with the pegging of the *krone* to first the non-inflationary *Dmark* and later to the Euro.

(ii) **The small-country advantage:** This argument is related to the aforementioned explanation. A small open economy such as that of Denmark can set wages below their main competitors abroad without the fear of retaliation through lower wages in larger countries. This effect seems to be present in the Danish context, where wages have been set 0.4 % below the international level (Kongshøj Madsen 2006: 342). Moreover, the larger the size of import and export as a share of GDP, the larger the effect of a moderation of wage demands on unemployment, because the price elasticity of export and imports is unrelated to the share of GDP to imports and exports (Soskice 2000 : 63). The relative small business size in Denmark might accentuate this effect. Small Danish firms often compete in niche markets where the competition is lower.

(iii) **Flexicurity:** The combination of flexible employment laws and generous unemployment benefits has often been put forward as an explanation of the present good state of the Danish economy (Larsen & Bredgaard 2005). The flexibility element entails employers being able to employ new workers with the insurance that they can dismiss them later should economic conditions worsen. From the employees' perspective the security element means that they can shift jobs to new and more productive firms without incurring a large risk in case of unemployment. Seen in a larger perspective, generous unemployment benefits create a cushion for employees wishing to invest in industry-specific training and skills. With generous unemployment benefits workers can get a

return on an investment in human capital even in unemployment spells. This could be seen as an advantage for the employers, because it makes it more likely that their employees will invest in valuable skills. The flexibility element can also be seen as an advantage for the employees, because it makes it more likely that their investments in training can be used in many businesses (Estevez-Abe et. al. 2001).

Another element in the flexicurity system is active labour market policies. Currently, these policies entail activation or job offers after 12 months of unemployment. The activation programmes include learning new qualifications to secure new employment. Moreover, the programmes can be seen as fulfilling a motivation need in order to prevent people from receiving passive benefits indefinitely. Econometric analysis have shown that the motivational effect dominates, because people tend to find employment shortly before they enter into an active labour market programme (Kongshøj Madsen 2006 : 339; Geerdsen 2006).

(iv) **Low share of unskilled:** The combination of high minimum wages, generous unemployment benefits for low wages groups and long periods with rights to unemployment benefits ought to imply a large unemployment rate among low-skilled workers according to standard economic theory. However, the opposite seems to hold true in Denmark. The unemployment rate among low-skilled workers is lower than in France, Germany, Belgium and the US. It is similar to the unemployment rate in the UK. The employment rate is compatible with the other Nordic countries but higher than in France, Belgium, Germany, the UK and the US. The share of long-term unemployed among low-skilled workers is lower in the US, but otherwise lower in Denmark than in the other non-Nordic countries (Goul Andersen 2006). The reason for the low unemployment rate could be that the share of the workforce that is low skilled is smaller than in the other non-Nordic countries. As the demand for low-skilled workers is lower than for higher skilled workers, the effect is an overall decrease in the unemployment rate for low-skilled workers (Ibid.).

(v) **Various:** A sociological institutional explanation for the performance of the Danish economy could be the high level of interpersonal trust found in Denmark as well as in other Scandinavian countries. Three in four Danes feel they can trust another Dane they do not know. In Ecuador only 1 in 10 feels they can trust another. This high level of trust might reduce transaction costs for example in business transactions (Tinggaard Svendsen 2006). Luck could also be an explanation for the economic performance of the 1990s, especially because the German unification created an increased demand for Danish goods (Schwartz 2001).

2 Institutional analyses: actors and governance arrangements

2.1. Identification of territorial institutions and their development

As in Norway, Sweden and Finland, Denmark has a three-tier system of government with a national, regional and local level. At the national level is *the parliament* (Folketinget), which is the highest political decision-making body with legislative power and a general responsibility for forming national policy. Up until 2007 the regional and local part of government in Denmark is represented by *counties* (amter) at the regional level and municipalities (kommuner) at the local level. Three municipalities (Copenhagen, Bornholm and Frederiksberg) are responsible for both municipal and county duties.

The state has administrative authority over the entire territory of Denmark, whereas the counties and the municipalities have administrative authority in a limited geographical area. The local governments are constitutional; they work within the law and are submitted to the supervision of the government (Amtsrådsforeningen 2001: 8).

The starting point for dividing functions between the three tiers is a principle of proximity and administrative, demographic and economic capacity. This principle means that public sector functions are assigned to bodies that are as close as possible to the citizens. Only in the case of the lower level not being considered large enough, as in not having the necessary administrative, demographic or economic capacity to undertake a given function, does a higher level take over (Albæk 1995: 242). It is obvious that this principle is connected with a normative assumption that decentralization is beneficial to the citizens. The most pervasive argument in Denmark legitimizing decentralization seems to be, that by placing the functions as close as possible to the citizen a level of responsiveness is guaranteed, so that the public administration more easily adapts to local needs and wants (Pallesen 2003: 23). The assumption that decentralization leads to political diversity has, however, been challenged in theoretical discussions and by empirical findings. Researchers have argued that decentralization does not necessarily mean political diversity, because local governments are never the only governing structure, but are placed in a political-institutional context that conditions the impact of governing structures (Nørgaard & Pallesen 2003: 544).

The national level

The Danish parliament is called the Folketing. It consists of 179 members. Two of the members are elected in Greenland and two in the Faroe Islands. The remaining 175 members are elected at least every fourth year in Denmark. The choice of government is determined by the party composition in the parliament. Legislation at the national level is a result of co-operation between the government and the Folketing. Bills are laid before the Folketing where they are read three times. Bills must be passed by the Folketing and finally approved by the Queen, but the Queen follows the recommendations of the Folketing, and holds only symbolic power.

It is an interesting feature of Danish political life, that Danish governments are usually minority governments. The governments have had to rely on votes from other parties in the Folketing to pass their policies, and the governments are always at risk of a so-called “alternative majority” emerging (Grønnegård Christensen & Christiansen 1992: 40-41).

The state governs responsibilities of shared and common interest (e.g. foreign policy, police, defence, university education and specialized education).

Regional and local level: legal features

The basis for the current structure of local government was established with the constitution from 1849 in paragraph 96 (today 82). From that point, local-governments were given the right to autonomously exercise their right to control own matters under the surveillance of the state. The citizens were given a constitutional right to take care of different matters through their own local and regional representatives (Bogason 2003: 56-61).

The limits and content of the autonomy of the municipalities and counties are fixed by law and affiliated government orders and circulars. Another legal basis of the local governments is the right to collect taxes set by tax laws.

Additionally, municipalities and counties can voluntarily perform local or regional functions or contribute to public utility organisations in their own geographic territory. These activities are regulated through the “Local Government Authorization” (Kommunalfuldmagt). The limits of this are set by the praxis of supervision by the Ministry of Interior and Health (Amtsrårdsforeningen 2001: 18).

The following are seen as “natural” to perform at a local or regional level:

- public service for the citizen
- the running of hospitals, schools and other institutions
- the technical infrastructure
- collective transportation
- land use
- protection of the environment.

(Ibid.:18)

In 1992, laws were decided to extend the possibilities of counties and municipalities to undertake business-promoting activities (Ibid.: 19)

It is a leading principle, that the laws concerning service provision are only framework laws. The intention of this principle is, that the county or municipality within the frame should itself determine the level of service and taxation. This makes the local government councils accountable to the voters on the Election Day.

Counties and municipalities have, however, complained that they do not have the scope of freedom they use to have because of an increased tendency towards “legalization”. This tendency has two dimensions. One is a material legalisation. This is when the individual is guaranteed certain rights to a certain welfare service or the legal rights to a certain minimum standard of a given service. The other dimension is associated with the procedure of welfare provision. This happens when, for instance, the state demands a certain administrative procedure to be followed in connection with decisions about provision, which the municipalities are obliged to follow. The purpose of such regulations is to improve the quality of the decisions and the transparency of the decisions made by the municipalities and counties. However, from the viewpoint of the local administration this procedural regulation constrains the administration inasmuch as certain tasks of written documentation and reasoning have to be performed. During the 1990s there was a growth in the procedural regulation, and about half the local administrations perceived the regulation as too extensive (Finansministeriet 2005:14; (Finansministeriet 2002: 56-58).

Both dimensions of this legalization constrain the elbowroom of the local governments. Additionally the tendency to set up minimum standards in the law for the provision of welfare seems to pull in the direction of a general higher level of service provision. A discussion connected with this is the role of the media. The media make national politicians accountable for isolated cases, which compels the politicians to respond with demands of minimum standards (Finansministeriet 2002: 56-58).

Regional and local level: democratic features

The highest authority at both the regional and the local level is a popular elected council. The councils are elected every fourth year in the same elections. In comparison with other counties, a relatively high share (70%) of the population participates in these local elections.

The political and administrative management of the regions and municipalities is arranged in such a way that all political groupings are able to exert influence on the administration. The most common government form at the local level is the so-called “committee government”. This means that the immediate administration is dealt with by committees and the daily management of the municipality is dealt with by the mayor with the help of the chief executive of the local authority (Bogason 2003:57). In a typical municipality there will be an economy committee (required by law), a social and technical committee, and an environment committee’. All political groupings will be represented in some of the committees, and all political groupings are therefore able to exert influence on the administration. It is therefore not meaningful to distinguish between government and opposition as such at the local and regional level, since these distinctions exist in only a watered-down version (KL 2003).

The regional level

The regional level consists of 14 counties with an average population size of 350,000 (Bogason 2003: 56). The county with the smallest population is Ribe with almost 225,000 inhabitants, and the largest is the county of Aarhus with 660,000 inhabitants. The counties also vary in terms of land, from 528 square kilometres (City of Copenhagen) to 6,200 square kilometres (County of Northern Jutland) (Ministry of Interior and Health 2005:22)

The counties' responsibilities are tasks that are both considered best solved at a local level and viewed as needing a certain level of administrative capacity that the municipalities do not hold.

The most important responsibilities of the counties are health (including health insurance), upper-secondary schools, road regulation, transportation and environmental supervision (Amtsrådsforeningen 2001:8)

Most social services are performed by the municipalities, but the more specialised services are organized at a county level. In the social field the counties therefore cover areas such as children and young people with severe behavioural disabilities, people with extensive disabilities (physical or psychological), the mentally ill, alcohol and drug abusers, the homeless and battered, rehabilitation and sheltered occupations.

In financial terms, the counties' most important duty is health combined with the expenses covering hospitals and physicians. These expenses account for 2/3 of the expenses at that level (Bogason 2003: 56).

The local level

At the local level Denmark is divided into municipalities. From 1970 until today, Denmark has had between 271 and 275 municipalities. They vary more in size of territory as well as population than do the counties. In 2003, the smallest municipality in Denmark was Læsø (a small island) with a population of 2,228 people. The largest municipality was Copenhagen with a population of 501,285 people. The territory varied from 8.77 square kilometres (Frederiksberg) to 588 square kilometres (Bornholm).

The municipality level deals with the provision of welfare services. The municipalities are responsible for primary schools, childcare provision, elder care, libraries, sports, local culture, social assistance (and activation of the these clients), (Bogason 2003: 57). In financial terms, the municipalities' most important duties are social matters, institutions for children and elder care. These areas account for 2/3 of the expenses.

Hierarchy in the distribution of functions:

The national government and parliament have the overall responsibility for the different administrative spheres. The ministers in the governments are responsible for the administration sphere placed in their ministries.

Government bodies, regions and municipalities, through different measures, negotiate how to aim at homogeneity in administrative decisions made by regional or local levels. However, the principle of autonomy at the local level means that a hierarchical relationship as such does not exist between the state and the counties and municipalities. Neither does one exist between the municipalities and the counties. (Amtsrådsforeningen 2001:19).

One way to look at the distribution of tasks between the three tiers of government is to look at their relative share of expenditure. Municipalities are in charge of 46% of the public expenditure, the counties 14% and the state 40% (Ministry of Interior and Health 2005).

2.2. Changing institution

The current three-tier government structure was largely created by government reform in 1970. The current distribution of functions among the levels also has its origin in that reform.

The reform was implemented for two reasons. First, the previous structure distinguished between “boroughs” and “parishes”, which was a relic of the past’s distinction between rural and urban towns. Second, the functions the public sector performed had expanded (Ibid.: 5).

After the local government reform in 1970, the number of municipalities and counties was substantially reduced to 14 counties and 275 municipalities. Before the reform, Denmark had 86 boroughs and 1300 parishes in 25 counties.

Later, the reform gradually redistributed the sharing of costs and functions between the government, the counties and the municipalities. The reform united different municipalities and counties and thus created larger units with enlarged administrative capacity, allowing the new functions allocated by the state to be undertaken. The administrative tasks that were affiliated with the local communities could therefore be moved from the state-level to the municipality level (Ibid.: 5).

In 1970 the intention of the reform was to create a strong consolidated local government system. This was to be done by creating a simple administrative structure where all functions performed locally also had a single local administration unit responsible for that function (Bogason 2003: 68). Changes in the 1990s broke with this idea and moved towards structures that could better be approached through concepts of governance, in that more actors were involved in the provision of welfare.

Another principle set out by the 1970 local government reform has, however, been sustained. The principle of placing public administration functions as near as possible to the citizen continued to be a cornerstone of the mini-reforms and different programmes of the 1970s, 1980s and 1990s, which were mainly concerned with decentralizing public administration even further.

A development that could not be envisaged in 1970 when the reform was carried into effect was the growth of the welfare state combined with the financial crisis in the 1980s. In Denmark, as well as other places, this led to political demands to change the welfare state. However in Denmark, the response to these demands was not to slim the welfare state, but rather a reorientation in the purpose of the welfare state and a constant focus on its efficiency (Albæk 1995). It is important to understand the development of the three-tier-government structure in this context of reorientation towards efficiency for two reasons.

1) Since the municipalities are the main providers of welfare services, the changes in the set-up of welfare provision regarding involving private partners and contracting -out have primarily happened at the local level.

2) The fiscal discipline that was needed to overcome the financial crisis was mainly performed by the local governments and the increased autonomy the local governments received can be understood as both compensation for this and as an instrument with which to do this (Blom-Hansen & Pallesen 2001).

Decentralizing

According to different scholars commenting on the changes in Denmark (Bogason 2003, Pallesen 2003), the tendency to *de-centralization* in the Danish public administration continued onwards from the local government reform in 1979. The local government reform gave the municipalities a relatively high degree of autonomy to how to carry out the tasks they had responsibility for; therefore, the coming decentralisation took place in already established autonomous institutions.

The decentralisations process in the years after 1970 increasingly moved more and more complex tasks to the local level. There has also been a tendency to move the power at the local level even further downwards to different actors and institutions, e.g. user boards (Bogason 2003:58).

The local government reform in 2007

In some ways the intentions of the local government reform, which is effective from January 2007, replicate some of the underlying purposes of the 1970 reform. In other ways it corresponds with the current understanding of welfare service by, for instance, improving the conditions for private subcontractors and stressing the use of more standardized procedures. The reform aims at making the municipalities administrative units sufficiently large to be sustainable for the new decentralized tasks.

On one hand the reform contains new criteria for a division of the municipalities and regions; on the other it implies a new distribution of tasks between the municipalities, regions and the state. The changes in the distribution of the tasks are made following the principle that the reform must be neutral in terms of expenditure and that funds follow the tasks.

The Agreement on the Structural Reform, which was decided in 2004, recommended that the new municipalities should aim at having 30,000 inhabitants; the minimum was set at 20,000. Municipalities with fewer than 20,000 inhabitants should therefore merge to create new, larger municipalities. Island municipalities were, however, permitted to enter into a binding partnership with a mainland municipality.

These mergers largely took place on a voluntary basis; neighboring municipalities began a period of courtship, and in 2005, only four municipalities did not meet the requirements. In March 2005 a broad political agreement was made on the municipal map, dividing Denmark into 98 municipalities. Sixty-five of these are merged, 33 are unchanged, and only 7 have fewer than 20,000 inhabitants (including 5 islands).

Before the reform, 206 out of 271 municipalities had fewer than 20,000 inhabitants. After the reform the average population size rose from just under 20,000 inhabitants to approximate 55,000 inhabitants.

Another consequence of the reform is to abolish the 13 counties, and replace them with five new regions whose primary tasks are health and regional business promotion. The other former responsibilities, previously undertaken by the counties, are handed over to the municipalities and the state, implying both centralization and decentralization.

The estimated distribution of tasks (measured by expenditure)

	Distribution of tasks 2004 (expenditure)	Distribution of tasks after the local government reform
Municipalities	46 %	48 %
Counties / Regions	14 %	9 %
State	40 %	43 %

The reform will lead to changes in the distribution of tasks. The municipalities' share of tasks will increase and the share of the new regions will decrease in comparison with the share held by the counties.

2.3. Resource flows between territorial levels

A central part of the power of municipalities and counties is the control of a large share of the public budget. A share that it is even larger than in many federally organised states. In 1995 around 55 % of the public budget was controlled by the local governments (Blom-Hansen & Pallesen 2001: 609). Additionally, 32 % of local government revenue comes from local taxation – a larger share than most countries. This means that Denmark is extremely decentralized in terms of fiscal responsibilities, despite it being a small country (Ibid.: 609-611).

A unique feature of the Danish public sector is the responsibility of the municipalities to administer transfer payments, such as old-age pensions and cash-benefits, to households. The consumption expenditures are largely left to the discretion of the municipalities and counties. For example, the number and size of schools, kindergartens and hospitals is not regulated by the central government. Counties administer health care, e.g. hospitals, and institutions for secondary education as well as institutions for the disabled. The municipalities administer primary schools, childcare institutions, residential homes for the elderly, day-care centres, practical assistance in the home etc.

Formalized budget negotiations between the central government, municipalities and counties started in the early 1970s (Ibid. : 612-620; Pallesen 2003) as a result of the large-scale local government reform in 1970, which produced larger local government units. This reform gave the local governments increased responsibilities over the expanding Danish welfare state in the 1970s. However, from the early 1970s Denmark faced increasing economic problems after the first oil crisis. This crisis made it necessary to commit the local governments to greater fiscal responsibility concerning their enlarged public budgets (Ibid.). The quid pro quo for fiscal restraint has been a gradual expansion of the negotiations between the central government and sub-national governments to include non-economic issues. The result has been a gradual expansion of the autonomy of the municipalities and counties vis-à-vis the central government.

2.4 Horizontal institutions and actors at each level

The national government, the counties and the municipalities include different actors in policy formulation and in the provision of services. It makes good sense to distinguish

between partners incorporated in policy formulation and those providing welfare services.

Actors at the national level

The corporatist tradition in Denmark developed throughout the twentieth century. Danish corporatism was a result of decisions made during periods of uncertainty in different areas and was not a result of a grand design (Christensen & Christiansen 1992: 64-65). After the Second World War the organised interests was integrated in the “Danish model” (Christiansen & Sidenius 1999: 21).

Until 1980, the institutional influence of the partners at the labour market and other private partners grew. They were progressively included in policy formulation as well as the implementation of the policies in various areas. The inclusion was institutionalized through , memberships on different boards and in different committees. In this period a very strong norm therefore developed, that private partners should be included in the political process, when they would be affected by the policies. (Ibid.: 22).

In the period after 1980 the institutionalized ties to between private actors on the state level has been loosened. However, at the same time it seems as if the contact between private organisations and the administrative and the central administration have become more frequent. Furthermore, the tendency is to call in different private interest organisations later in the political process with a to call in the interest groups who will be affected by the policy formulation (Ibid.:21) and not just the partners on the labour market.

The National Associations of Municipalities and the National Association of Counties are included as private partners at the national level in the annual negotiations with the Ministry of Finance and the Prime Minister’s Office (see also section 1.2).

Actors at the regional level:

The counties (and the coming regions) can subcontract with private-for-profit organisations. This has beforehand been the case with transportation. The counties can also sometimes choose to buy private health provision for patients. The regional level cooperates and negotiates with different interest organisations concerning different policy areas. Different professional organisations are included in the area of health and education, and the labour market partners are included in the employment policy. (Amtsrådsforeningen 2001: 33).

Actors at the local level.

The municipalities contract with private-for-profit actors in different areas, including eldercare. They include different interest organisations, citizen’s councils and user boards in the political process and implementation.

It has primarily been the need for efficiency that has led the municipalities to cooperate with a variety of actors. In 1997 it was a requirement that municipalities should involve voluntary organisations in the provision of social services. The local level also includes

the local business community and different actors from the socio-political system in the Active Labour Market Policies, both in policy formulations and in their implementation. This inclusion is institutionalised, for example, through the local co-ordinations councils (Sørensen 2002: 92). Therefore it seems as an institutional tying has happened at the local level, contemporaneously with the loosening of ties with the labour market partners at the state level.

2.5. The model of regulation: how does coordination take place

Regulation and coordination take place through different strategies. Traditional rule and 'hierarchical management is used in combination with newer forms of coordination.

Over the last 25 years, the central public administration has introduced new strategies on how to regulate and control public administration. It has come to realize that government is, in fact, a question of managing networks. In different documents different strategies on how to exercise control have been marked out, all of which are apparently seen as appropriate when they secure efficiency.

One strategy that dominates in some spheres is when the state tries to secure regulation or control by introducing market-like structures. In many cases the market-like structures imply that the user is given the right to choose between different options, whereby efficiency is expected to be accomplished. Other times the documents advocate strategies where the state creates and controls the structures for self-governance. Other strategies include the creation of institutionalized beliefs and values with which all the actors in the network can identify (Sørensen 2002).

The increased decentralisation has meant the state has increasingly used management by objectives and economic frame regulation. The central control has been limited to decisions on overall political goals and the financial framework of the municipalities. The tools used to mediate between central control and the decentral autonomy have been an increased use of contract and agreement steering (Ibid.: 75). Additionally, it has been pointed out that there has been a tendency towards "political centralisation" in that a political core has been established as the centre for exercising meta-governance. In particular, it is the Office of the Prime Minister together with the Minister of Finance who hold the role of meta-governor. This implies that decentralisation together with the inclusion of more partners is counterbalanced by a political centralization (Ibid.: 81).

In the municipalities there seems to be a tendency towards a more institutionalised cooperation with private actors. The municipalities differ greatly in the way they involve networks. They often adopt a very pragmatic approach on how to implement network steering in the municipal context.

The next local government reform can be expected to change this variation: the administrative units will be more standardised and will most likely introduce steering tools similar to those currently used by the larger municipalities.

3 The process of rescaling in four policy areas in Denmark

The four policy areas in question in this report: social assistance and local policies against poverty, employment policies, care for the elderly, and integration resemble each other in the processes of rescaling. On one hand more responsibility has been transferred to the municipalities, but on the other a countertendency has been present when the central level reclaims some of the political control which it lost by decentralising and the incorporation of more partners in the welfare provision. This is particularly the case regarding legal minimum standards, and legal guidelines for administrations, and documentation.

Different measures are used by the central level to up hold the control of the local level, such as earmarked grants, campaigns and procedural directives. An institution that can be viewed as having a coordinating function is the National Board of Social Service. This agency does not exercise direct control over the municipalities or the providers of welfare provision, but its purpose is to guide the municipal authorities and other welfare providers (such as private sub-contractors) concerning how to implement the law and political initiatives in the field of social service.

3.1. Social assistance and local policies against poverty

Introduction: Social assistance in Denmark

Social assistance in Denmark is characterized by having a universal coverage financed through general taxes. The system of social transfers is integrated in the local municipal administration. A characteristic feature is that the cash assistance the recipient receives only to a very small degree depends on the income prior to the need for the payment. (Kvist & Plough 1994: 21).

The cash-assistance system aims at securing subsistence for people who are out of the labour market. Social assistance is granted to all citizens in Denmark, if it is deemed necessary. The need is assessed from the applicant's and – if the applicant is married – the spouse's financial situation. In order to receive social assistance the applicant must have experienced a social event, such as unemployment, sickness, pregnancy, divorce etc². Another demand is that the applicant and the applicant's spouse have exploited their ability to work. Recently another demand has been added: a requirement of residency in Denmark. This is described later.

Social assistance consists of a basic amount of cash assistance. If the recipient has children, an additional child supplement is added. A supplement can also be added for rented housing. However there is a "ceiling" for the maximum payment an individual and a married couple can receive. The ceiling is effective after 6 months of cash assistance³.

² People who hold a low pay or who are students are therefore not eligible for social assistance

³ Married providers can therefore receive a maximum of DKK 11,625 a month before tax

If the person is able to work, he or she must be registered at the local employment office and be willing to accept job offers. Everybody must be willing to accept participation in Active Labour Market Programmes or other employment promoting activities.

In claims for social assistance, Denmark has a special rule applicable to people who arrived in the country after 1 July 2002. People in this group must have residency in Denmark, and must have lived in the country for 7 out of 8 years to be eligible for general social assistance. If the requirement of residency is not met, people receive only the so-called Start-Help. Depending on the life-situation of the recipient, each recipient receives between 52% and 77% of the cash assistance offered to those who meet the requirement of residency (Blauenfeldt et al. 2006:6).

The Start-Help has partly been presented as an integration policy; it is discussed in more detail in the section on integration policies.

Changes 1980-2005 in social assistance and service to the poor

Since the Second World War the employment system and the social policy have had different contents as well as different target groups.⁴ From the Second World War and until the late 1970s, the social assistance system was distinguishable from the employment system by being a care policy taking care of the weakest groups in society. The employment system, on the other hand, was oriented towards economic policy and the allocation of the labour force (Damgaard 2003: 17).

The organisation of the two systems – as they are organized today – is the result of the earlier local government reform and the social reform, both implemented in the period 1970-1976. The two reforms placed the responsibility of social assistance in the municipalities. This process of decentralization moved the decision-making, the provision of the service and the financial responsibility to the municipalities. This consolidated the municipalities' influence.

In the 1970s the financial crisis and the dramatic increase in unemployment challenged the somewhat passive care approach the municipalities performed. From the late 1970s and into the 1980s the municipalities began to experience that it was increasingly difficult for cash-assistance recipients to return to full-time employment. Cash assistance was seen as a temporary relief, but it was showing to be increasingly used for longer and longer periods. As early as 1977 the municipalities were obliged to make an extra effort to curb youth unemployment, marking the beginning of a turn towards Active Labour Market Policy (ALMP), which was to become increasingly dominant during the next decades. Accordingly, the social assistance system began a process towards aligning its content to that of the employment system. Instead of focusing on “care” it focused on strategies that could improve the employability of the recipients of cash assistance in order for them to join the workforce. This also marked a strong ideological change inasmuch as social integration began to be seen as something that could be achieved through the labour market. However, the bipartite administrative system survived and still exists today. Consequently, even though the two systems look alike and have somewhat the same

⁴ Historically both systems had a social purpose.

purpose, they work independently of each other and have different target groups (insured vs. uninsured). In recent years steps have been taken to merge the two systems regarding ALMP. This will be further taken up in the next local government reform.

The conservative-liberal government that came into office in the early 1980s introduced approaches that resembled workfare. However, the government had a somewhat ambivalent approach. On one hand it wanted to offer education to the young cash assistance recipients, but on the other it wanted to reduce the social assistance and make it possible for it to be forfeited if recipients did not accept a job offer or an education offer. It therefore moved the social assistance in the direction of a right-and-duty policy. This approach resembled the so-called work-first approach, where the payment is made conditional on participation in work or work-promoting activities. The other political parties were reluctant to accept this approach, and the real consolidation of the workfare system did not come until the social democratic government took over in 1993 (Torning 2004 :128).

This social democratic government of the late 1990s was able to frame ALMP in a way which created a type of consensus for different interest groups, including the two parties on the labour market. Instead of the work-first approach, the social democratic government slowly cemented a human-capital approach to the employment policy (Ibid. :129). This approach framed ALMP measures as compatible with traditional Danish welfare states values (ibid.: 251). This government was therefore able to introduce a range of significant ALMP measures.

From 1993 all cash-assistance recipients below 25 years who were unemployed and did not have additional social problems had to enter ALMP after no longer than 6 months of first receiving assistance. In 1998 this period was changed to 13 weeks and the target group was extended to the 25-30-year-olds. This now also includes those who *do* have problems other than unemployment. From 2000 it became mandatory for the group with problems other than unemployment to have written individual action plans (Ibid.: 35-36).

Additionally, the group of disadvantaged unemployed, which includes people with different social, psychological and health problems, is targeted through ALMP. The policy of the “inclusive labour market” was introduced in the beginning of the 1990s. With this programme, the Ministry of Social Affairs campaigned for the social responsibility of the business community. The purpose of this campaign was 1) to prevent problems of exclusion from the labour market, 2) to keep employees who were at risk of losing their footing on the labour market and 3) to integrate the group who were viewed as marginalised.

In 1998 the law on Active Social Policy was introduced. This law cemented the view that the social policy should be performed with activating measures.

With the law the so-called “flex-jobs” and “care-jobs” (Skånejobs) were created. Flex-jobs are aimed at unemployed as well as employed people with a permanent reduced capacity to work, but who are not expected to be able to hold a full-time job despite “re-

qualification”. Instead of giving this group an early retirement pension, it is now the policy to give them employment under special conditions. The jobs are subsidized by up to 2/3 according to the individual’s level of impairment (Ibid.: 36).

New actors

The initiatives taken in the field of social assistance have introduced new actors to the area, which has pulled in the direction of new governance structures. The problem of how to get people back to work has increasingly been attempted to be solved through co-operation with the local business community. This tendency has been institutionalized with the introduction of *local coordination councils*, which became mandatory in 1999.

The local coordination councils are significant because they introduced corporatism to the field of social assistance. Before the establishment of the councils, the policy and provision of social assistance had been an issue solely for the municipalities. The councils have limited funding, but the funds they hold can be spent almost as they please. As well as this funding, the councils have an advisory role to the municipalities. Beside the two partners of the labour market, organisations for the disabled and the organisation of doctors are included in the councils. The committees can be placed in one municipality or be shared among different municipalities (Damgaard 2003: 77). The exact governance impact of these councils differs in different municipalities, because the municipalities make very different use of them (Damgaard 2000; Andersen & Torfing 2001).

Many municipalities have worked towards persuading the local business community to play a more active role. This has been done through the so-called partnership-contracts or through locally established business networks. An objection to these types of corporations is that the businesses are more privileged than the citizens, job-takers, or clients. The integration of business partners is legitimized through the notion that it is more efficient. The legitimacy is therefore not founded in either a representative or a corporative democratic model (Damgaard 2003.:12), but in the hope of efficiency.

Who decides?

The central level legally sets out the size of the standard cash-assistance transfers, and the legal basis for deciding who receives them. In 2001 the active social policy was transferred from the Ministry of Social Affairs to the Ministry of Employment.

Even though the municipalities are the central actors in the designing of the social assistance services, the national level can exercise indirect control. Economic control is performed through reimbursement schemes. This has particularly been the case in the field of “the inclusive labour market” in the 1990s. It is one of the examples where the state tries to move the municipalities in a certain direction by establishing special purpose funds that are earmarked in order to promote a policy. The Ministry of Social affairs has also used campaigning and persuasion for strengthening the corporation between municipalities and companies (Ibid.:13). Moreover the central administration imposes control through the establishment of new institutions. As mentioned before, the law on local coordination councils called for the municipalities to cooperate with new partners.

This, in some ways, has limited the autonomy of the municipalities (ibid.:14). The municipalities, however, decide on exactly how they wish to implement the law and what offers of ALMP they give to their clients.

Who manages?

The municipalities hold monopoly of the administration of public cash assistance and the measures related to this administration including active labour market policies, “re-skilling” attempts, placements in special jobs and counselling of target groups.

Who pays?

The payment of cash assistance is shared between the municipalities and the state. The state uses reimbursements and earmarked grants (Ibid.: 24), but it has also financial incitement control by reimbursing a higher share of the assistance for “active” assistance recipients than for “passive” recipients.

Who delivers?

The municipalities are in charge of the assessment of the client, the payment of cash assistance as well as the initiation of other measures (Ibid. 2003: 20). Some municipalities have contracted out some ALMP measures.

Is this policy area becoming more important other areas?

Seemingly, the area is getting a fair amount of attention. In a period with a historically low unemployment rate, the main concern is how to get the rest of the group of cash-assistance recipients to enter the workforce. It has been a recent media theme when discussing labour shortages, also in unskilled professions, where employers have had to call in foreign labour. Employers have complained publicly that not enough is done to encourage people to accept available jobs.

There is, however, disagreement about how to encourage the group of cash-assistance recipients to enter the workforce. The introduction of the cash-assistance ceiling in 2004 was an attempt to motivate people to take a job. Recently a report has been published that concludes that the ceiling on cash assistance does not have an impact on motivating people to take a job. Instead, the consequence of the law is to put people at risk of poverty. The group of people who are not “truly” available to the labour market has other problems. The report also indicates that the policy of the cash-assistance ceiling especially targets married immigrant families with children (Ministry of Employment 2006).

Poverty policies

Cash assistance is supposed to cope with poverty problems, but one could think of poverty policies, as the policies targeting the socially marginalized. This is, however, a policy area which has only been separated from the general social assistance policies since the 1990s.

During the 1990s special policies towards the socially marginalized groups were introduced. This group is characterized by being composed of individuals who have more severe problems than unemployment. The target group includes those who are disadvantaged and mentally disabled, those who are drug dependant, those who are alcohol dependant, and those who are homeless.

In the 1990s new economic opportunities were set up to provide support for these groups, and new services were established. In this area, as in many others, user involvement and user influence has been stressed and the dominating method for approaching the problems of the individual is through individual “action plans”.

Services directed towards the groups can, for instance, be residential accommodation, treatment of drug or alcohol dependency, sheltered employment, activities such as education/training, cultural event, sports or help in acquiring basic living skills.

The counties are responsible for providing treatment programmes for those who are drug dependant. The programmes include counselling services, motivation, treatment and after-treatment. The municipalities are responsible for social services other than treatment. They also have the primary obligation to help people who are homeless or unable to function in their own home.

3.3. Employment policies

Until recently, the voluntary unemployment system has been independent of the social assistance system, marking a distinction between the insured unemployed (insurance recipients) and the uninsured unemployed (cash-assistance recipients). However the tendency, which will be enforced with the local government reform in 2007, is to merge the two systems when it involves the active labour market policies (ALMP). Employment policy in Denmark has a tradition of including the labour market partners (Sonne Nørgaard 1999); however, the development has moved towards involving more interest groups and other actors, and also towards decentralizing the labour market policy.

Danish employment policy overall can be seen as consisting of two elements

- 1) The functioning of the voluntary unemployment system, including the funding structure
- 2) The organization of active labour market policies and outcomes of the policies

The Danish voluntary unemployment insurance system consists of 39 state-recognized unemployment funds. Historically, the funds which the state recognized were union funds, but today membership of the union funds is independent of membership of the union (Parsons 2003: 19).

The organisation of the active labour market policies is partly connected with the structure of the unemployment system, but is also independent because it includes labour market partners on different territorial levels.

Changes in the employment policy 1980 to 2005

In the 1970s the framework was set in place for the present scheme of financing and administration of the unemployment benefit system, including some elements of Active Labour Market Policies. The unemployment insurance system was set up so that employers and employees paid a relative small share of the expenditure and the State provided the rest. A state agency, the *Public Employment Service* (PES), has had control of job provision since 1969). The PES monitors the allocation of jobs. This was a demand from the employers, who wanted to secure an efficient and flexible supply of labour by taking job allocation out of the hands of the unions. (Sonne Nørgaard 1999: 49). The unemployment insurance system, however, monitors the availability of jobseekers.

In 1977-78 the social democratic led government took the first steps to implement Active Labour Market Policies. These measures included an extra effort to curb youth and long-term unemployment. The tasks of the PES were therefore extended: besides job provision, educational- and employment offers became part of the services offered (Damgaard 2003:66).

However, the employment system was still mainly orientated towards people who only found themselves temporarily out of job. It was not geared for the long-term massive

unemployment that the system experienced in the late 1970s and early 1980s (Kongshøj & Pedersen 2003: 17). Therefore, in the 1980s small changes began to happen. These changes mainly meant focusing on education as an offer to the unemployed.

This was, however, changed with the labour market reform in 1994. The reform was introduced in 1994, by the social democratic government that had come in to office just as the unemployment rate was historically high. (Kongshøj & Pedersen 2003:18). The reform concurrently decentralized and introduced a shift in policy focus. The decentralization mainly happened through the establishment of the regional labour market councils (RAR). Through this development the partners of the labour market increased their influence on regional employment policies (Haarh & Winter). The reforms also marked a shift in the focus of policy. Until 1994 the benefit duration was relatively long, this can partly be explained by the job-offer scheme that was in force in the period from 1979 to 1993. This scheme meant that those who had insured unemployed, after a certain period of unemployment, had the right to be offered a job. These jobs were usually created inside the public system. If the unemployed person accepted these job offers he or she would retain the right to receive benefits. In this system, therefore, people could actually keep their benefits for long periods. However, there was a tendency that in times with a high unemployment rate this period was extended and in times with a lower employment rate it was shortened (Rosdahl 2003:124). A worker receiving benefits was eligible for between 7 to 10 years of benefit (Parsons 2003:18). With the reforms in 1994, this period was reduced, and a strong emphasis was put on the “active” aspect of employment policy with a move away from the passive handing out of insurance benefits (Kongshøj & Pedersen 2003: 13).

The new active line in Danish labour market policy was a significant brake with the de-commodification and social right in the social security philosophy of the 1970s and 1980s. There is disagreement on how to interpretative the development of Danish ALMP inasmuch as Danish ALMP contains some elements of workfare but also some elements of social protection (Goul Andersen & Pedersen 2006: 4).

Changes also took place in the way the system was managed during the 1990s. There was an increase in the regionalisation and the goal and economic frame regulation of the employment system. The right to decide – inside the legal framework – which target groups and what kind of activation a certain PES-region should prioritize was decided by the regional employment office. At the same time the regional labour market councils were extended to include representatives from the different labour market organisations. The labour market reform also made the municipalities and counties full members of the regional committees (Damgaard 2003: 86).

In recent years the employment system has experienced a shift in focus in the employment policy from education and qualification towards bringing people directly into work (Goul Andersen & Pedersen 2006:2). This is a consequence of the reform “more people in work” (*Flere I Arbejde*).

Who designs?

The “who designs” question is not easy to answer in the context of the Danish employment policies. Corporatist actors are the quick answer, but this answer clearly needs extensive elaboration. However, it has been claimed that in the last 5 to 10 years corporatist channels of control and steering have been declining and the parliamentary channel has been increasing in the formulation of employment policies.

The overall framework for the relationship between the trade unions and the employer association is the “general agreement”, which dates back to 1899. The agreement has been revised several times since then, but is, in principle, still in use. This agreement formalized the right of employers to manage in the workplace. Moreover, the agreement formalized the right to strikes or to organize lockouts. More importantly, in 1910 the agreement also provided a formal legal framework, a labour court, to settle disputes in the labour market. The labour court is still in use today. When an agreement has been reached by the partners, both partners are obliged to keep the peace on the labour market. Violations are sanctioned by the labour court, which is the final arbitrator on the labour market. The verdict might involve fines to one of the partners. Another prominent feature in the Danish labour market system is the State Conciliation Board. This board has no authoritative power. If negotiations end in deadlock, the negotiations may be transferred to the board to work out a compromise with the partners. The partners are obliged to send the compromise to a referendum among members or to the governing board for approval or rejection (Andersen et. al. 2001: 153).

The labour market partners have been able to maintain a considerable influence on the labour market policies. It has been claimed that the politicians have regained some influence on the formulation on policies for the labour market; however, at the same time the inclusion of different partners is more pronounced. This contradictory development can be explained by distinguishing between the *formulation* of policies and the *implementation* and between the national and regional/local level (Winter 2003). The labour market partners have lost influence at the national level and in the policy formulation, but play a more pronounced role at the regional and local level in the implementation of the policies.

Who manages?

At the national level the national labour council coordinates labour market policy through goal steering and economic frame regulation. The National Labour Market Board handles the administrative coordination of the 14 PES -regions⁵. On the regional level the Regional Labour Market Council (RAR) attends to the coordination of the employment service offices (Ministry of Employment 2006: 41).

The national labour market council sets out the guiding lines in the labour market policy, and the grant adjustable within certain limits for the regions. Within this framework the

⁵ The National Labour Market Authority (Arbejdsmarkedsstyrelsen) is the national daily manager of the Employment Service.

regional councils should make the decisions on which instruments they wanted to use, and which groups they wanted to target with the policies. This tendency towards decentralisation has, however, been met by a counter tendency: the central level has increased its demands to the regional level, for instance through legal obligations. In some ways the legal rights and duties have limited the regional decentralisation (Damgaard 2003: 88).

Therefore it makes sense to point to two co-existing systems. On one hand the original system, which is controlled mainly by the partners on the labour market, with goal steering and economic frame regulation, and on the other the system controlled through legal workings and right-based policy (Haahr & Winther 1996: 32).

Who pays?

Along with Finland and Sweden, the basis of the public unemployment system in Denmark is voluntariness. The system consists of 39 state-recognized but also private member controlled insurance funds. The yearly membership fee is set at eight times the daily unemployment benefit and the state provides the remaining share of revenue for the funds. Ignoring the funding of post-employment pay and fund-related leave schemes, this implies that the unemployment part of the insurance system is self-financing only when the unemployment rate is 3 %. (Parsons et. al. 2003: 17). This has not been the case for the last 30 years. In 2001, when the unemployment rate was 5 %, the state provided two thirds of revenues for total expenditures, including unemployment and post-employment pay, and leave schemes etc. The state's coverage of the unemployment insurance part was 25 % (Ibid.).

The different ALMP measures are paid through the "Activation fund" at the national level. This fund is financed through revenues from the labour market contributions from all wage earners and self-employed people (Ministry of Employment 2006: 40).

Who delivers?

The PES offices allocate jobs and initiate different ALMP measures for the insured unemployed. With the reform in 1994 it became possible for the PES offices to outsource this. (Damgaard 2003: 84). In 2005 the PES assigned 36.1% of all unemployed to private actors. Studies from 2004 showed that the private actors were better in finding jobs for the unemployed than was the PES (Arbejdsformidling 2006:9).

New tendencies with the local government reform

With the liberal conservative government, different initiatives have been taken towards fusing the employment systems and the social assistance system. In 2003 the two systems were fused at a national level, by merging (the National Employment Council with the National Social Council), and by making the merged council responsible for the employment policies targeting the employment system as well as the social assistance system (Damgaard 2003: 89). This move has meant that the labour market partners have been granted a role in the formulation of social policy; a role which they have not had before.

With the local government reform this tendency to merge the two systems has also been taken to the local level. In the new structure the Employment Service offices and the municipalities will merge into 91 shared jobcentres and begin cooperation on employment-promoting activities. Fourteen of the 91 jobcentres will be “pilot” centres where, as an experiment, the municipalities will be in charge of allocating jobs to both the insured as well as the uninsured unemployed (Ministry of Employment 2006).

These centres will partly be financed through the state (for the insured) and through the municipalities (for the uninsured). The local government reform will also establish four regional councils who will make sure there is the necessary coordination between the national employment policy and local efforts. These new regional councils will supervise the result of the employment policies at the municipal level, and also initiate efforts aimed at special target groups or in other cases where regional efforts are necessary.

At the local level, local labour market councils, LBR, will advise the jobcentres. The municipalities will have to consult the LBR in the yearly planning of employment policy. The LBR will be made up of one member from the local government, members from the labour market partners, and also members from the organisation for the disabled and the doctors union, and other representative from local organisations. The councils will have to supervise the performance of the jobcentres, and if the jobcentres do not perform well, the councils can, as the last sanction, contract-out the provision to another actor.

3.3. Care for the Elderly

Elder Care in Denmark: an introduction

Elder care in Denmark can be viewed as one of the most characteristic features of the Danish welfare state. Together with public childcare provision it must be seen in relation to the high female employment rate and an employment structure where most women work fulltime. In general, care for the elderly is not considered the responsibility of the family, but is seen as a societal obligation, which enables older dependent people to receive help independently of their families, and women to join the workforce fulltime.

Elder care in Denmark is based on the principle of universal coverage. Elder care delivered in the homes of the elderly covers a relatively large proportion of this group, and it is free of any user fees (Nielsen & Andersen 2006:67). Twenty-five per cent of the population of 67+years receives home help. On average, people above 65 years received 1.19 hours of home help per week annually. In comparison, the average in Sweden is 0.65 hours of home help per week annually (Ibid.)

Since the formal care is so extensive, informal care tends to be supplementary. In recent years, the importance of the informal care has, however, increasingly been recognized. In particular, the care that spouses provide to people with senile dementia has received increasing attention. The prospect of increased expenses in the area has directed attention towards the work that voluntary organizations can provide.

3.4.2 Available social services in the field of elder care

The social services that are offered to the elderly in Denmark can be divided into domiciliary care, residential care (nursing homes and service housing), and other welfare measures.

Domiciliary care

Most of the dependant elderly receive domiciliary care or “*home help*”. This kind of help dominates the care provision because it is regarded as a good solution for the individual, while also being viewed as a more cost-efficient alternative to residential care. Home help consists of two kinds of help: personal help, and practical help. Personal help and care for example includes help with personal hygiene, help to get out of bed or put clothes on. Practical help covers housework, laundry and shopping. Practical help also includes meals-on-wheels. Denmark is the only Nordic country which has maintained the provision of practical home help to a relatively high proportion of elderly people free of charge (Ministry of Finance 2002:197).

In most municipalities nursing functions and home help service are integrated. The home helpers are mostly trained staff, with a degree in “social affairs and nursing”⁶, but replacements or stand-ins with little training often do the work.

⁶ Either a short degree “social og sundhedshjælper” (14 months) or a “social og sundhedsassistent” (34 months).

Residential care

Nursing homes are offered only to those who need intense care and attention.

In nursing homes the services include: meals, cleaning, laundry, hiring linen, hair dressing, chiropody, medicine, therapy and leisure activities. Since the late 1980s nursing homes have gradually been replaced by service housing where the elderly live more independently in their own flats (Rostgaard & Fridberg 1996: 134).

Day homes are often attached to nursing homes. Day homes are available for elderly people who live at home, but who have an extensive need for help. They are offered the same services during daytime as the residents of a nursing home (Ibid: 133). In 2002, 8000 people were registered as clients in the day home facilities (Ministry of Social Affairs 2006).

Other welfare measures

Since 1998 the Preventive Home Visits programme has offered two annual in-home consultations to all elderly persons above 75 years. The purpose of these visits is prevention in a broad sense to prevent functional decline. The health visitor talks to the elder person and gives guidance on services and activities that are offered in the municipality. During the visit the preventive home visitor and the elderly person try to detect problems or health hazards that can be prevented.

The municipalities must ensure that people are provided with the option to participate in activities and receive services with a preventive and self-reliant purpose. These services can be physiotherapy, occupational therapy, social and educational activities, meals-on-wheels, snow clearing, gardening and extra homecare. The elderly pay the actual costs of these services, but the fees can be waived if the person has been referred to the service. The municipality can also decide to reduce the user payment or refrain from charging (Rostgaard & Fridberg 1996: 144-145). Day centres are recreational centres, where the elderly can participate in different activities such as physical exercise, community singing and bingo parties. Usually, they pay a only modest contribution for this service.

Another programme supports informal care through giving compensation for lost earnings to a person who cares for a dying relative.

3.3.3 Changes in the elder care in the period 1980-2005

In the period from 1980 to 2005 changes happened in the area of elder care. Two somewhat interdependent trends dominated the period 1) a deinstitutionalization and 2) a process of modernization.

The deinstitutionalization of the elder care can partly be traced to the recommendations that the National Committee on Ageing gave in their conclusion in 1982. The dominating policy from that point has been to encourage people to stay in their own homes for as long as possible. In 1987 the Act on Housing for older and disabled persons was passed, which underpinned this policy by making it possible for dependant people to receive the same kind of help whether they lived in nursing homes, ordinary housing or service-

housing. A consequence of this shifting focus was that home help services expanded, and acute assistance was made available 24 hours a day within the system of home care (Rostgaard & Friedberg 1996).

Another significant shift has happened towards caring for the dependant elderly in service housing and leaving only the most frail elderly in the nursing homes (Ministry of Finance 2002). As a consequence of this change the group of people in nursing homes has a higher average age. The proportion of the very old 80+years in nursing homes was 76% in 1996 (Rostgaard 1996: 149). The number of nursing home places has gone down from 37,700 in 1994 to 25,800 in 2002. The number of sheltered housing places has gone down from 5300 in 1994 to 4100 in 2002. However, the number of service housing arrangements has gone up markedly from 17,900 to 39,600 in 2002 (Ministry of Social Affairs⁷)

The policy of keeping people at home for as long as possible can also be traced to developments in other services. In general the focus in elder care seems to have moved in the direction towards prevention, which is thought to help people stay independent for as long as possible. The programme of preventive home visits is one example. Other welfare services, such as day centres, have also been implemented to keep the elderly active and engaged in society so that they can stay healthier and independent for a longer period.

The liberal-conservative government of the 1980s responded towards the financial constraints in the period by introducing the idea that private provision would be more economic, effective and sensitive to differing individual needs than public provision. However, there has long been a general ideological opposition towards private-for-profit organisations in elder care (Rostgaard & Fridberg1996). The reforms in the elder care have – as in many other Danish welfare reforms – never included an actual rolling back of the state, but instead an introduction of market-like structures and ideologies to the field. The market ideology questioned the efficiency of the elder care due to the high expense level of the sector. (Nielsen & Andersen 2006: 27-28).

Therefore the chosen solution to achieve more efficiency in home care was to establish a quasi-market in the field of home care by splitting the function of “the assessor” from the function of the provider with the so-called BUM model. In this model the authorities assess the needs of the elderly and thereafter the elder person can choose the provider. The intention of the model is to create market-like conditions where different providers compete on delivering the best service to the elderly. The ideological reasoning is that the user is empowered through this process by being able to choose the provider he or she prefers. From a market ideology, it is also supposed that this will mean better efficiency as well as higher quality, because the elderly person has the role of a consumer who will choose the best alternative.

The model was introduced in 2003 and necessitated changes in the organisation in the municipalities because they had to split their elder department into two branches: one which decide how much help a dependant person could have, and one which competed

⁷ www.social.dk/tvaergaende_indgange/talogsatser/aldreomsorg/Botilbud.htm 19-10-2006

with private companies to provide this care. One consequence of the model of the administration of eldercare is that it seems to have made the services more homogeneous. However, it seems also to have raised problems of communication and a growth in bureaucracy (Ekselinen et al. 2004, Nielsen & Andersen 2006)

The model gave impetus for private providers of home care to set up business, but the area is still dominated by public providers. In 2005, 21% of the recipients received private home care (Nielsen & Andersen 2006: 43); however, seemingly private provision is mainly chosen by the “strong elderly” who receive only practical help. The frail elderly still have a preference for public care providers (Eskelinen et al. 2004: 10).

Another development that can also be understood as part of a new public management strategy, is the introduction of the “common language programme”. The intention of the programme is to standardise the ways different actors speak and understand needs and help. One of the purposes of the programme is to make it possible to benchmark different municipalities to allow less efficient municipalities to learn from the more efficient municipalities’ praxis in the field. The programme seems to be well incorporated in the accession praxis in different municipalities and it is also used in the electronic care journals (Ibid: 14).

In 1998 it was decided to establish “quality-standards” in the field of elder care, so that each municipality had to publish their standards for the quality of elder care. This is understood as a way of obliging the municipalities to formally determine which level of service they offer within their jurisdiction. The purpose was to make it transparent for the user as to exactly what rights they had in that municipality (Ibid: 39).

Some have experienced the developments towards standardization as absolutely necessary in a field that absorbs many resources; however, it is also an area where very little is known about how these resources are used. Others have criticised initiatives, such as the common language programme and quality standards, for being standardized and representing a too instrumental approach towards care (Ibid.: 34).

The National Commission of Ageing’s main recommendation was that elderly people should participate more actively in decisions concerning elder care services. The social service act echoed this notion by placing importance on the individual’s influence over the service he or she receives. The reforms in the area have had a tendency to aim at handing out more responsibility to the users. This has been done through giving the users a voice in the arrangement of the provision (Ibid. 2006: 38). The establishment of senior-citizen councils can be understood as a measure to secure more user-influence in the field. The councils are democratically elected among the elderly citizens of the municipality who are 60+ years. The purpose of these councils is to advise the authorities on proposals concerning senior citizens in order to mediate between the users and the decision-makers. Another initiative that aims at guaranteeing the right of the elder to exercise a choice is the law on flexible home care, which was introduced in 2000. The law gives the elderly a right to replace services in the practical home. It means that the elderly within a certain limit can prioritize what services they want to receive. In 2002, it

also became possible for the elder to replace services in the personal help. Again the purpose was to give the user more influence, but the law was most likely also a reaction to the strong criticism of the system for being too standardised and rigid (Ibid. 2006: 41).

Nursing home residents keep their pensions and pay rent; in addition, they pay only for the services they use. From 1992 it was made possible to choose a nursing home in a different municipality. In 2002 an important change was made, which guaranteed the free choice of the person when choosing a nursing home or service housing. In 2003 the free choice included the right to choose the provider of personal or practical home care (Ibid. 2006: 39). Recently, some municipalities have experimented with personal budgets for the elderly.

The development of the field could be viewed as going in opposite directions: some programmes aim at standardizing and homogenizing the field, whereas others have been implemented to secure variation and the freedom of the user.

3.3.4 Institutional arrangements and policy scaling.

All three tiers of government are partly involved in elder care, but the municipalities are the central actors in the provision of the care as well as in the designing of the services.

The national level sets an overall frame through legislation and economic steering. The ministry of social affairs, besides having the overall responsibility of cash benefits for older people, draws up instructions, circulars and recommendations in the field of elder care. The counties have the responsibility for health care.

The municipalities are responsible for social services and the housing needs of the elderly. Within the legal frame, the municipalities can decide the level of services they wish to provide and how they wish to organize it. The overall principle is that the municipalities are independent units who supervise the provision of elder care. Both municipalities and counties have to submit yearly plans and projections for the policies to the Ministry. The Minister of Social Affairs can also initiate new agendas for planning and setting up panels to generate new knowledge in the field of elder care.

Different boards carry out inspections. The National Social Appeals Board is the highest appeal court in the social field.

The overall framework for the provision of care for the elderly is set in the Act on Social Service from 1997 and the Act on Legal protection. The Act on Social Service requires municipalities to provide the necessary social services. However the municipalities can make their own policy regarding provision. The implementation is in some ways connected to the annual economic negotiation between the Ministry of Finance and the National Association of Municipalities.

Who decides?

The Act on Social Service obliges the municipalities to offer personal help and care. The municipalities are obliged to offer care 24 hours a day and to continually assess the needs of the recipients.

However, each municipality can decide which service level they wish to have in the municipality and also to some degree the exact composition of the services.

The decision about admission to a nursing home is made by the municipal board, usually together with the staff and those closely connected to the elderly person. The decision is based on an evaluation of the individual needs of the person.

By law, home help should be given to anyone who is unable to perform daily activities. The decision about what help the elderly can receive is taken from an overall assessment, which involves the client.

Within the municipality, it is the social welfare committee who decides on issues such as the number and type of institutions to be established and the number and type of employees. The municipality also makes decisions on the actual content of home care service.

Who manages?

The law gives only some regulations which direct the organisational management of the provision of care. The actual responsibility for the planning, organisation and supervision of the provision of elder care is placed at the level of the municipality. Regardless of whether the actual provider is a municipal or private provider, the municipality is responsible for supervising the provision.

It has become increasingly obvious that the area of elder care is extremely difficult to manage, control and regulate in the Danish context. This has attracted some concern at the national level where there is strong need to see what is actually going on, especially because of the expense level. The common language programme was an attempt to secure national documentation and to make the area more manageable; however, the municipalities did not implement the programme in similar ways. Therefore, another attempt will be made: from 2008 a new user register will be established.

In general, an increasing number of duties concerning documentation in relation to home care have been imposed. In some ways these developments limit the scope of administrative liberty at the municipal level. Since 1995 the municipalities have had to provide general accounts of the content, scope and goals of the local service provision. They also have to provide documentation on "quality standards" for the municipality's home care and to provide statements on the development of voluntary organisations in the social field. This indicates that the state is imposing more control on the area as well as making it more accessible for management strategies.

In the nursing homes the manager of the nursing home has the responsibility for the professional level, the quality of the service and the staff. However, resident councils are established with an advisory role. They are informed about budgets proposals, administration of funds, weekly menus and employment of staff ⁸ (Rostgaard 1996: 151).

Who provides?

The municipality has the responsibility for organising the provision of home help. The Social Service Act from 1998 allows private-for-profit providers for home help service.

The same act also makes it possible for dependant people to choose a family member or another person to carry out the home help on the condition that the person is approved by the municipality (Rostgaard 1996: 94).

The normal procedure for giving private providers operating on a commercial basis the right to provide elder care is that the municipality approves providers who thereafter must deliver the provision at a fixed price. It can also take place through tenders before contracting.

The nursing homes and service housing are either municipal or private institutions. The private providers are so-called “independent institutions”, who, to date, have been not-for-profit provider. The private providers enter into a contractual agreement with the municipalities.

Recently however, the Minister of Social Affairs has suggested making it possible for private actors to offer residential care in so-called “free-standing-residential-houses”, who do not have to enter into exactly the same contractual agreement with the municipalities as do the independent institutions. The proposal is currently being debated.

The voluntary organisations do not carry out core duties in elder care, but are used in a supplementary manner. Their role has increased since the Social Service Act, which stressed the need for municipalities to cooperate with voluntary organisations. Voluntary organizations provide different kinds of care such as day centre facilities, visiting services, cafés and meeting places.

Who pays?

Elder care is solely financed by the municipality through local taxes, block grants from the state and supplementary central funding.

The municipalities vary greatly in the amount they spend per person above 65 years of age. The municipalities with the lowest costs annually spend € 3420 per person 65+, whereas the municipalities with the highest costs spend €6438. Some of the difference can be explained by the composition of the elder group in regards to the age and the need

⁸ The development in recent years has, however, meant that the group of people in nursing homes often suffers from senile dementia and relatives are therefore allowed to be members of the council

for care. The municipalities also differ in the level of service and the exact content of the services (Finansministeriet UM : 197). They may also differ in terms of efficiency.

Permanent home care is free of charge, and has been since 1989. User fees were reintroduced in 1992, but withdrawn again only 5 months later (Rostgaard & Fridberg 1996: 93). The municipality can claim a user fee for temporary home care only.

Residential care is also paid by the municipalities, but the residents pay user charges for the different services they receive. The elderly keep their pensions, but must pay for electricity, heating and rent. Apart from this, they pay only for the services they choose. The user charges are set to such a level, that if the elderly person has only a public old-age pension, he or she still has a reasonable amount left after paying for the services (Rostgaard & Fridberg 1996: 151).

The voluntary organisations are mainly funded through the state via different mechanisms such as lotteries. The municipalities are also obliged to co-fund voluntary organisations.

Future attention and discussions

Elder care as a policy area is expected to attract more attention in the coming years. It is already a politically sensitive area in Denmark. The media tends to highlight incidents of scandalously bad care. The area therefore seems to have a somewhat bad reputation, which is inconsistent with the amount of money the area absorbs and, compared to an international context, this is a generous provision.

A survey from 2005 showed that 71% of the respondents thought the area of home help did not receive enough money, whereas only 1% thought the area had sufficient money (Nielsen & Andersen 2006: 17). This dissatisfaction poses a considerable challenge to policymakers in the coming years. In contrast, user-surveys of recipients tend to point to general satisfaction with the help they receive. However there seems to be a difference between the group who receives personal help and the group who receives practical help. The group receiving personal help is more satisfied than the group receiving practical help (Ibid.: 69).

The need for elder care is growing in line with the ageing population. The expenses for elder care pose a much greater threat for the financing of the future's welfare state than the expected increase in public pension payments, which has already been dealt with through private savings (Nielsen & Andersen 2006: 69). Financially it seems feasible to provide the current level of service to a larger proportion of elderly persons, but the question is whether the public pressure will demand an increase in the current level. (Ministry of Finance 2002) Some commentators are worried, that this public dissatisfaction will drive the expenses out of control, and pose a real threat to the Danish Welfare State (Velfærdskommissionen 2005, Nielsen & Andersen 2006). A closely linked problem is how – even with the current service level – it will be possible to provide the necessary personnel for the area in a period with a historically low unemployment rate.

3.5 Integration policy

Introduction to Danish integration policy

It is debatable exactly at what concept of integration Danish integration policy is aiming. For some, Danish integration policy is a modern right-and-duty policy that complies with the move from ethnic homogeneity to ethnic heterogeneity. To others, Danish integration policy is a policy of exclusion, excluding ethnic minorities from equal societal membership and from enjoying the same social rights as ethnic Danes. Whatever the view on the Danish integration policy, it is not a story of unquestionable success, since compared to other countries, Denmark still performs comparatively poorly when it comes to integrating immigrants and decedents of immigrants into the labour market and the education system (Ministry of Refugee, Immigration and Integration Affairs 2004: 17).

Changes in the period 1980 to 2005

Immigration to Denmark began in the 1970s, when the lack of labour made Denmark open up to guest workers, especially those from Turkey, Pakistan and the former Yugoslavia. Since this wave of labour immigration, immigration has happened through the granting of asylum to refugees and through family reunions with those already residents in Denmark. Today, around 330,000 foreigners and descendant of foreigners from non-western countries are living in Denmark (Ibid.: 5).

In the mid-1990s the number of immigrants, who arrived in Denmark, especially through family reunifications, was at a historical high level, and many social democratically mayors pointed out, that integration in their municipalities did not work, and the number of new immigrants had to be reduced in order for the municipalities to cope with integration. In general, the integration policy has been moved in a direction aimed at increasing labour market participation. This can partly be understood as a consequence of the political pressure concerning the need for reducing the expenses of immigrants and focusing more on their active contribution to society. Political and public policy elites have had a strong interest towards increasing labour market participation among immigrants, and, increasingly, there has been public acceptance of using pressure to accomplish this.

The liberal conservative government that was elected in 2001 and re-elected in 2005 is a minority government and relies on support from the Danish People's Party. The party has therefore markedly increased its influence. In 2005 the party obtained 13.3% of the votes. The liberal conservative government has introduced restrictions in family reunifications through the Aliens Act. It has also tried to move integration policy into a new direction with its Act on Integration.

In its policy towards aliens, Denmark has moved in an increasingly more restrictive direction. Denmark is especially restrictive when it comes to the rules for family reunions, but also to some degree concerning the possibilities for receiving permanent residence and citizenship (Ibid.: 4). It is possible to be family reunified only with spouses and under-aged children. A debated condition for married couples is that they must be above 24 years in order to be family re-united. These restrictions have had an effect on

the net-immigration; they have also been heavily criticized. Many mixed couples who do not fulfil the requirements have been compelled to take residence in Sweden or Germany where they are entitled to a family reunification (ECRI 2006: 17).

The integration policy in Denmark is officially framed as a right-and-duty policy. Since the Act of Integration in 1999, all new immigrants are expected to participate in a special introduction programme for three years, which includes training in Danish language, culture and society and also different educational and vocational training programmes for which the municipalities hold responsibility. The right new immigrants receive is to receive an introduction allowance.

Introduction allowance and start-help as integration measures

The Introduction allowance is the allowance immigrants and refugees receive when they participate in the introduction programme. It can be reduced if they do not perform their duty of participation in employment-training programmes.

Start-help is exactly the same amount as the introduction allowance and is given to people who are not eligible for cash assistance because they do not fulfil the requirement of residency. Start-help is a more modest cash allowance that can be given to people who come from outside the Nordic countries, EU and Lichtenstein, who arrived in Denmark after 1 July 2002. Danish citizens who have lived more than 7 years out of 8 years outside the Nordic countries, EU and Lichtenstein will also receive start help instead of cash assistance. The requirements for receiving Start-help are the same as for “cash assistance”, but the amount the recipients receive is at a lower level. Depending on the life-situation of the recipient, each recipient receives between 52% and 77% of the normal cash-assistance (Blauenfeldt et al. 2006:6). Even though the rule is applicable both to Danes and immigrants, it has been argued that the rule is de facto discriminating, because the group of Danes who have lived outside of Denmark are very rarely in need of cash assistance when they return to the country.

The relatively modest levels of Start-help and the Introduction allowance have been introduced as part of an integration policy, because integration is understood as integration to the labour market. It reassembles a classic work-fare solution, inasmuch as it is a reduction of the social assistance in the hope that this is an incentive for people to seek work.

Another hope beyond reducing the cash assistance to immigrants was to reduce the number of dependant people seeking residency in Denmark. The relatively high living standards that it is possible to sustain with the social assistance in combination with the universal coverage were thought to attract many immigrants to Denmark. With the start-help, the actual purchasing power is on a European average for the social assistance that immigrants receive (Andersen 2006:12-13).

The purpose of the Start-help was an integration measure, but the policy has been criticized for not having this effect. In fact the low help has been criticized for not leading immigrants into work, but instead leading them into poverty and social deprivation. The

main reason why this group does not find work is lack of knowledge about the Danish society and language and health problems (Blauenfeldt et al. 2006: 60).

The “integration program” from spring 2005 included even tougher measures for forcing people into the labour market. It removes social assistance for housewives in households where both the husband and wife received social assistance. This approach was targeting immigrant women, who were allegedly so satisfied with their position as a housewife, that they were not actually intending to take work (Andersen 2006: 19).

3.3.4 Institutional arrangements and policy scaling.

The municipalities and the National Association of Municipalities (KL), each year negotiate with the central authorities the distribution of refugees, who is expected to arrive the following year. The national agency “Immigration Service” assigns the refugees to the municipalities.

After the placement of the foreigner in the municipality, the municipality is obliged to offer an “integration program” to each new adult foreigner who is subject to the Law of Integration. The introduction programme can last about 37 hours per week and can, at most, last for three years. It consists of Danish language training and different activities intended to move the immigrant in the direction of labour market participation for foreigners who receive the introduction allowance. The introduction programme should also give guidance towards ALMP, internships, and supported employment.

The municipality must offer Danish Language programmes to everybody in the relevant group of integration. The municipality is also responsible for giving information about this offer and controlling the quality of the education. For foreigners who are included in the Integration Law, the education is free, but the municipality can ask for user-fees from foreigners who are self-supporting, and who are not subject under the integration law.

Who decides

The national agency together decides on the placement of foreigners after negotiations with the municipalities. The Act on Integration decides on objectives which must be met by the municipalities and the instruments which must be used. The municipalities decide on the specific content of the different integration measures. The foreigner and the case worker draft the actual individual integration plan.

Who designs

Within the Integration Law, the municipality designs the programmes it wants to offer for integration. The newly arrived immigrant and the municipal administration decide on the exact integration programme for that individual, which is written down in an individual integration contract. Thereby the specific content of the individual integration programme is designed between the municipality and the immigrant.

With the law of Integration in 1999, the municipalities had to establish integration councils if requested by more than 50 people above 18 years of age. The councils hold an advisory role in relation to the municipalities in integration matters. The councils are seen

as ways to include ethnic minorities in local politics (Rådet for Etniske Minoriteter 2001: 5). Since 2004, municipalities are no longer obliged to establish the councils, only if they deem them necessary. The actual impact of the integration councils has been criticized, since many the councils seem to be under-funded and not sufficiently included in the local political process (ECRI 2006: 16).

Who provides

The provision of integration services is the responsibilities of the municipalities. They can contract private companies for actually delivering the services. In occupation promoting activities, the local social coordination councils and other private actors and partners are consulted in different ways and to different extent.

Who pays:

In this period, the central level has increasingly tried to exercise control over the integration efforts in the municipalities through financial instruments. Basically, the municipality pays for the responsibilities it holds under the law, but it receives reimbursements and grants to support these expenses. The introduction-allowance is reimbursed by 75% from the state and the same is the case with extraordinary support, which might be granted to the immigrant. In addition to this reimbursement, the municipalities receive a monthly grant per immigrant they receive in the municipality. This grant was markedly lowered on 1 July 2002 (from DKK 4333 to DKK 3257 per month.).

Another grant system is provided by giving a grant per foreigner who participates in the full introduction programme. New financial tools, which seem to be incentive controlling instruments, give “result grants” to the municipalities per foreigner who enters ordinary work (DKK 30,870 per person). A similar result grant is given in the case the foreigner passes the exam in Danish language. (DKK 20,580).

Is the policy area becoming more important?

Integration policy has been influencing Danish policy and media debates for almost a decade, and continues to be in the forefront of political debates. The discussion on the relationship between the majority society and the presominatly Islamic minority was as flaming as the burning of Danish flags throughout the world when the cartoons of the prophet Mohammed were published in “Jyllandsposten”. This debate might have contributed to Islamic phobia in Denmark, but it has also made way for other voices in the debates inasmuch as different Muslim organisations have entered the media stage, which in some ways creates a more differentiated picture of Danish Muslims. A network of “democratic Muslims” was established, and many initiatives were taken towards strengthening the dialogue between Christian (but rather, religion-sceptical Danes) and the Muslim minority. The need for labour has also called further attention to the need for improving the possibilities for immigrants to enter the labour force, and some companies have now (with success) made job-days, where they specifically try to reach out to the immigrant part of the population.

Appendix: Data

A	Population	1980	1985	1990	1995	2000	2005
Plus	Share of 65+	14,3	15	15,6	15,3	14,8	15
Plus	Share of 80+	2,8	3,2	3,7	3,9	3,9	4,1
A3	Life expectancy *	74,2		74,9		75,4	77,4
A5	Child in single-parent family						
A6	Fertility rate		1,4	1,7	1,8	1,8	1,8
A7	Birth out of wedlock						
Plus	Marriages		29.322	31.513	34.736	38.388	36.148
A8	Divorces		14.385	13.731	12.976	14.381	15.300
Plus	Immigrants total	30.311	36.214	40.715	63.187	52.915	52.458
Plus	Emmigrants total	29.913	26.715	32.383	34.630	43.417	45.869
Plus	Acquisition of citizenship	3.780	3.310	3.028	5.266	19.323	10.197
Plus	Share of one person family	45,80	0,49	0,50	0,51	0,50	0,50
Plus	Share of single parent family	3,90	0,04	0,04	0,04	0,04	0,05
Plus	Share of two person family	25,30	0,26	0,26	0,27	0,27	0,27
Plus	Share of 2<persons family	25,00	0,22	0,20	0,18	0,18	0,18

B	Employment	1980	1985	1990	1995	2000	2005
B1	Participation rate, men					81,4	79,4
B2	Participation rate, women					73,6	73,1
B3	Participation rate, youth (16-17)					57,1	51,1
B3	Participation rate, youth (18-19)					67,3	63,2
B3	Participation rate, youth (20-24)					78,4	74,7
Plus	Participation rate, total					77,5	76,3

C	Unemployment, share of the labour force	1980	1985	1990	1995	2000	2005
C1	Total			9,7	10,4	5,4	5,7
C2	Men			8,4	9	4,6	5
C3	Women			11,3	12	6,2	6,5

D	Expenditure on social protection	1980	1985	1990	1995	2000	2005
D2	As % of GDP			29,7 *	31,0	29,8	29,8
D3	Family ¹				12,4	13,1	12,9
D4	Old age (alderdom) ¹				37,6	38,0	37,5
Plus	Employment+unemployment ¹				14,8	10,5	8,6

¹ Share of total expenditures on social protection

* 1991

Statistics Denmark 2006

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