



EU Network of
Independent Experts
on Social Inclusion

Investing in children: Breaking the cycle of disadvantage

A Study of National Policies

Denmark

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Investing in children:

Breaking the cycle of disadvantage

A Study of National Policies

DANIEL SCHWARTZ BOJSEN, CHRISTINE LUNDE RASMUSSEN &
IAN KIRKEDAL NIELSEN
DENMARK

COUNTRY REPORT – DENMARK

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1. Summary¹

According to the EU at-risk-of poverty indicator (60% median income), the rate of Danish children under the age of 18 living in risk of poverty is 10.2% (2012). This is well below the EU27 average of 20.8% (2011) and among the lowest among countries with similar welfare systems². According to the recently adopted Danish poverty indicator (50% median income over three consecutive years), 10,900 children are poor, corresponding to 0.9% of children³.

In recent years, child poverty has been increasing: According to the EU in- indicator, the rate of children living in risk of poverty has gone up slightly from 9.1% in 2004 to 10.2 in 2012. Since 2010, though, the in-risk-of-poverty rate has dropped from a present high of 10.9% to 10.2% - a highly positive trend. According to the Danish poverty indicator, from 2004 to 2010, child poverty has increased significantly from 5,500 to 10,700, corresponding to an increase in poverty rates from 0.5% to 0.9%.

Danish policy framework: The present policy framework is comprehensive and with some exceptions, adequate to ensure social inclusion. The Danish welfare state pursues equal opportunities for all citizens through a number of transfer services and cash and in-kind benefits. Most policy sectors have policies aiming to ensure adequate living conditions for all, through universal and targeted measures (e.g. social housing, equality in health policies, prevention of abuse etc.). Recent reforms have tightened a number of schemes and services, however in a few cases resulting in benefits below the income level of the poverty indicator. On the contrary, some of the lowest cash benefits have been abolished. Thus, although reforms may have a negative impact on equality, poverty rates are less likely to be negatively affected.

There is no explicit policy on child poverty. Instead, policies targeted at child poverty are integrated within the framework of policies aimed at preventing social exclusion or countering the intergenerational transmittance of social disadvantage. However, in June 2013 the Danish Government, expressing an explicit commitment to monitor and address poverty issues, adopted a formal poverty indicator and will in the future carry out an annual analysis based on this and a set of broader indicators. It remains to be seen if and how the Government will address poverty in terms of concrete policies. We find the initial steps positive, and recommend developing tailor-made policies to complement the existing policy framework on poverty to reverse the negative trend of increasing poverty.

Policy areas: Employment is a key policy area and underpins also social policy, e.g. the social policy goal of the Danish 2020 Europe Strategy is to reduce the number of households with low employment by 22,000. Whereas few people in employment are

¹ Readers should note that the report was first drafted in September 2013 and is based on information and data available at that time. In a few instances some new information that became available subsequently has been referenced. However there has not been an opportunity to do a comprehensive screening for updates since September.

² Data source for the EU poverty indicator is, throughout the report, EUROSTAT.: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>: The table: At risk of poverty rate by poverty threshold, age and sex.

³ In 2012, the Danish Government established an expert Poverty Commission to describe different approaches for measuring poverty and develop a proposal for a Danish poverty indicator³. The Commission published its report in April 2013 and an official Danish poverty threshold or indicator was subsequently adopted by the Danish Government. We have in the report chosen to follow the Danish poverty indicator supplemented by EU in-risk-of poverty indicator, in order to make report results applicable to both the EU and the Danish context.

poor, for some of the most exposed groups, employment prospects are weak, and other than labour-market-related measures may be necessary.

For other policy areas, we underscore the following major challenges: a growing social segregation in the education sector; a growing social and ethnic segregation in the social housing sector and an increase in health inequality.

Vulnerable groups: Child poverty is overrepresented in the following target groups: children of single parents, children of unemployed parents and children of ethnic minorities. Also, poverty is increasingly concentrated in some cities, particularly in the capital and larger cities.

A number of benefits and services are directed at single parents and unemployed. In spite of this, poverty rates have increased in both groups. We find the high and sharply increasing poverty rate among ethnic minority children of particular concern. Growing poverty among ethnic minorities combined with increasing ethnic segregation in housing and education and a tense public debate on integration, may lead to a general ethnic and social segregation of society, with negative consequences for social inclusion and social coherence. We find it debatable whether the dominant mainstreaming approach to integration is a sufficient in addressing existing challenges.

In some cities, the City Council has adopted specific policies on poverty. In these cities, a close cooperation between national and local levels would be advisable. For other cities with high poverty rates, the development of networks for the exchange of experience regarding poverty policies could be beneficial.

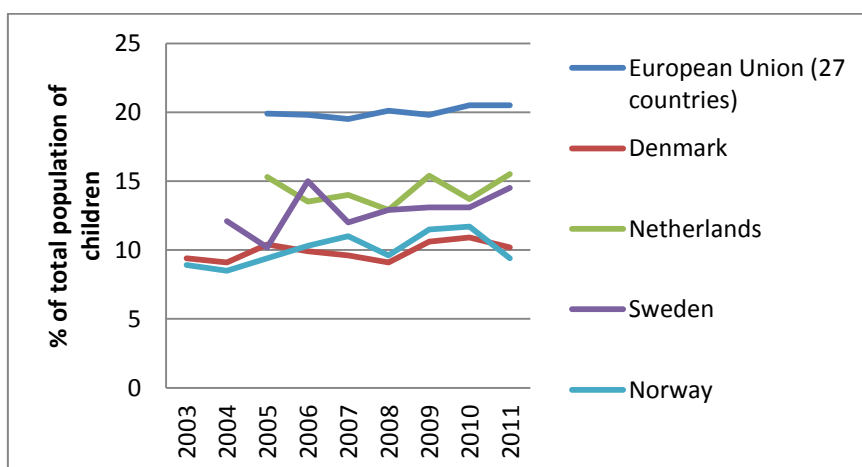
2. Assessment of overall approach and governance⁴

In this section we provide an assessment of the overall policy framework for tackling child poverty and social exclusion and for promoting child well-being in Denmark. We begin by briefly describing the situation of child poverty in Denmark and key challenges in this respect.

2.1. Child poverty is low but rising

According to the EU in-risk-of-poverty indicator (based on a 60% median income), the rate of Danish children living in risk of poverty is 10.2% (2011)⁵. This is, as appears in Figure 2.1, well below the EU27 average of 20.8% (2011) and among the lowest among countries with similar welfare systems - that is Norway, Sweden and the Netherlands. The figure illustrates the development in childhood poverty according to the EU in-risk-of poverty indicator across comparable countries. As it appears, poverty has increased only slightly in Denmark since 2003, and recently dropped from a present high of 10.9% in 2010 to 10.2% in 2011. – A highly positive trend.

Figure 2.1: Child poverty in Denmark (60% median threshold)



Until recently, Denmark did not have an officially accepted poverty indicator. In 2012, however, the Danish Government established an Expert Committee on Poverty to describe different approaches for measuring poverty and develop a proposal for a Danish poverty indicator. The Committee published its report in April 2013⁶ and an official Danish poverty indicator was subsequently adopted by the Danish Government. The Danish poverty indicator is set at a 50% median income over three consecutive years, excl. students and individuals with a property over 100,000 DKK (approx. 13,400 €). In terms of the choice of indicator, the Expert Committee on Poverty

⁴ Readers should note that the report was first drafted in September 2013 and is based on information and data available at that time. In a few instances some new information that became available subsequently has been referenced. However there has not been an opportunity to do a comprehensive screening for updates since September.

⁵ Confirmed numbers for children living in risk of poverty at EU-27 level were not available at the time of submitting the report. The figure is therefore covering the period from 2003-2011. For Denmark, the rate of children living in risk of poverty in 2012 has been confirmed at 10.2% (source: EUROSTAT).

⁶ The Report of the Expert Committee on Poverty 2013: <http://www.sm.dk/Temaer/sociale-omraader/ekspertudvalg-fattigdom/Sider/default.aspx>

argues that a poverty indicator should be in accordance with what is "ordinarily" considered poor in Denmark to remain legitimate and useful for public policy, and further indicates that the chosen indicator is comparable to a poverty indicator reached through a budgeting approach. For a full discussion of poverty indicator, see the Report of the Expert Committee.

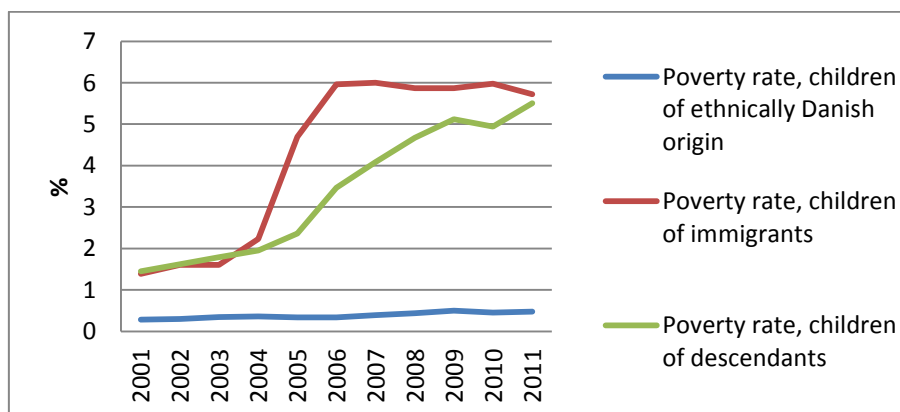
We have in the report chosen to report on poverty according to the Danish poverty indicator as well as the EU poverty indicator, in order to make report results as applicable to the Danish context as possible.

According to the Danish poverty indicator, 10,900 children are poor in Denmark (2011), corresponding to 0.9% of all children. From 2004 to 2010, poverty numbers have gone up significantly from 5,500 to 10,700, corresponding to an increase in poverty rates from 0.5% to 0.9%.

The rise in poverty is related to the following factors among others: firstly, a general increase in wealth during the economic boom leading to a higher income level for the poverty indicator. Secondly, the introduction of various – for Danish standards – very low cash benefits (e.g. start help, introductory benefit, 225 hour rule etc.). Thirdly, the rise in unemployment following the economic crises from 2008.

We find that four groups are particularly vulnerable to poverty: firstly, poverty among immigrants and descendants⁷ has increased sharply, both in terms of poverty *numbers* and poverty *rates*: While the number of poor children of ethnic Danish origin from 2003-2011 increased from 3,000 to 5,200, the number of poor ethnic descendant children increased from 1000 to 5,200 and the number of poor migrant children increased from 500 to 1,600⁸. Poverty rates among migrant children and descendant children in 2011 were ten times higher than among Danish children, as compared to three times higher in 2001 (figure 2.2).

Figure 2.2: Poverty rate, distribution by ethnicity⁹



⁷ There are several factors that may explain the rise: Professor in Economics Torben M. Andersen, Chairman of the Poverty Commission, points towards three factors: the first is demographic and consists in an increasing number of descendants overall in Denmark. Secondly, the reduced cash benefits introduced from 2001 "pushed" a number of cash benefit recipients below the income level of the poverty indicator. Thirdly, a general increase in the number of poor which followed from the rise in wealth during the economic boom in the 00's and the accompanying increase of the poverty indicator.

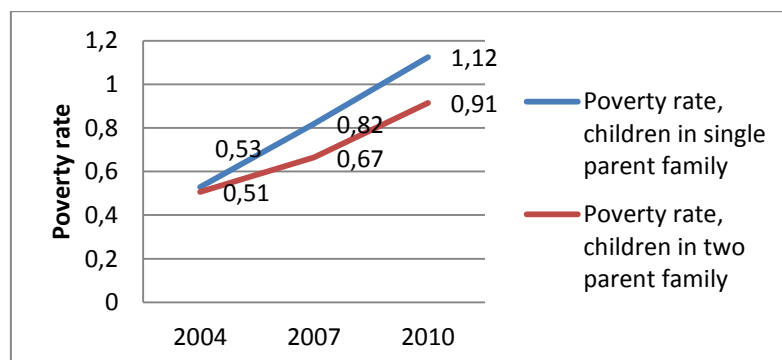
⁸ The Economic Council of the Labour Movement. *Flest fattige børn blandt indvandrere og efterkommere*.

⁹ Calculations are based on data from The Economic Council of the Labour Movement (Arbejderbevægelsens Erhvervsråd). The numbers differ slightly from the numbers used by the Danish Poverty Commission due to differences in data basis.

Secondly, poverty among children of unemployed parents or parents on social benefits is higher (see section 3 for further details).

Thirdly, children of single parents are overrepresented in poverty statistics. Where the number of poor children from households of two adults (9,100 children) is higher than poor children of single parents (2,900 children), children of single parents have a higher *poverty rate or risk* of being poor than children of households with two parents. The risk has increased in the last decade (Figure 2.3)

Figure 2.3: Poverty rate for children of single and two parent families¹⁰



Fourthly, child poverty rates are geographically skewed. According to an analysis by the Economic Council of the Labour Movement (ECLM), child poverty and poverty growth from 2002-2010 is highest in the municipalities of Copenhagen, Brøndby and Lolland and lowest in Rudersdal and Allerød¹¹. According to the Copenhagen poverty analysis (2010), 5% of all families with children in the capital live in poverty.

In the following we describe the policy framework on child poverty and social exclusion and assess whether it adequately meets existing needs and challenges.

2.2. Policy Framework

Institutional setting

In Denmark, the Government is responsible for policies relating to welfare, such as social welfare, employment, education, integration, etc. Socially disadvantaged children are mainly the responsibility of the Ministry of Social Affairs, Children and Integration.

The 98 municipalities are responsible for implementing the national policies into local policies and policy efforts. Regarding disadvantaged children and youth, municipalities are obligated to formulate a coherent policy and to follow the requirements of the Service Act in terms of case procedures. Apart from this, municipalities enjoy a large degree of flexibility in terms of methods, organisation and policies applied. City councils of the two largest cities in Denmark, Copenhagen and Aarhus, have passed specific poverty strategies, reflecting the concentration and increase of poverty in the larger cities.¹²

There is an increasing national and local focus on evidence-based programmes and methods targeting disadvantaged children. Thus, out of 98 municipalities, 48 are currently working with one or more of the blueprint programmes in the local

¹⁰ As note 5.

¹¹ http://ae.dk/files/dokumenter/analyse/ae_fattigdommen-vokser-isaer-paa-sjaelland.pdf.
Note that poverty definition is the OECD definition.

¹² The Economic Council of the Labor Movement, 2013: 3.

prevention effort. The five most often applied evidence-based programmes in Danish municipalities are: The Incredible Years (TIY), The Parent Management Training Oregon Model (PMTO), MultifunC, Multi Systemic Therapy (MST) and Multidimensional Treatment Foster Care (MTFC)¹³ Furthermore, the Ministry of Social Affairs and Integration works determinedly to identify best practices through a systematic accumulation of knowledge of the effects, by using existing research results, international and national, to make it possible to implement best practices in the social practices in the municipalities.

Previously, the municipalities were responsible for inspection of the institutions where the children who are placed in care, live. However, as of 1 January the local inspectorate was transferred to five newly established inspectorates. The main objective for the establishment of the new inspectorates is to ensure quality in the placement for the child and thereby increase the rights of children placed in foster care or in 24h-care institutions.

The general approach to social disadvantage and exclusion

Danish society is characterised by a universal approach to welfare and pursues equal rights and opportunities for all citizens through a high level of redistribution and a strong effort to counter social inheritance. The basic emphasis is on universal rights and services which, when necessary, is complemented by rights and services based on needs and labour market attachment. In the Danish National Reform Programme 2013, the Government emphasises the intent to reduce poverty and strengthens the effort for socially disadvantaged children:

"... The Government aims to reduce poverty and give special priority to socially disadvantaged children and young people. Social, financial and health limitations pass from one generation to the next. Therefore, the Government gives priority to efforts aimed at creating equal opportunities for everyone. In this connection, initiatives to prevent social problems are essential, especially in relation to socially disadvantaged children and young people." (Danish National Reform Programme 2013; p. 45)

In recent years, the policy framework on disadvantaged children has been strengthened markedly. Most significant is the Child's Reform (2010) which, based on a children's rights approach, strengthens the child's right to complaint and the involvement of the child in relevant case procedures. Since 2011, children have also had the right to complaint to the Children's Office under the Office of the Ombudsman.

Poverty strategies

Denmark does not have one integrated multi-dimensional strategy on child poverty. Relevant policies are integrated into other policy areas (labour market, education, health, etc.) and approached in relation to tackling social exclusion, marginalisation and breaking the social inheritance. This is in line with other Nordic countries that generally have no official poverty lines or explicit poverty strategies¹⁴.

However, the Danish government decided on June 2013 to adopt a formal poverty indicator. This, as well as the concrete choice of indicator, are key elements in the

¹³ The Ministry of Social Affairs and Integration.

¹⁴ The argument against a poverty line in a comprehensive modern, welfare state is among others, that such a society operates with a number inherent of "minimum standards" for well-being – e.g. social benefits, the right to education, health, etc. Thus a poverty line may be seen as superfluous or insufficient to capture the multidimensionality of poverty (Poverty Commission Report 2013: Chapter 2).

national policy approach to poverty and we shall in that context shortly consider the following:

Firstly, the motivation and purpose of the Government to adopt a poverty indicator. According to the Government Platform *A Denmark that stands together* (2011:47):

"... the Government wants to be measured on reducing poverty and ensuring equal opportunities. The Government will therefore present a plan with concrete targets and efforts for the most vulnerable and exposed groups, to ensure that the social policy effort continuously pursues this goal"

Thus, the motivation appears double: On the one hand, the aim is to monitor and analyse the situation. On the other, to assess whether political instruments are adequate to meet existing challenges and needs or if more should be done. It is too early to assess the political use or value of the poverty indicator. It remains to be seen how the Government will take the effort forward, and how this will be shaped by political discussion and influence from other stakeholders (civil society, etc., local authorities, etc.). But as an element in a strategy for the most vulnerable groups and as an instrument to strengthen monitoring of the situation, we see it as positive.

Our second consideration concerns the assumption of the Danish poverty indicator that poverty needs to be persistent over a period of three consecutive years. Although, long-term poverty undoubtedly aggravates the situation and heightens the risk of poverty traps, not least for children, it may be discussed whether it is reasonable that the *same* economic situation is only acknowledged as poverty after three consecutive years.¹⁵

The Commission recommends that the income indicator is supplemented by a number of "softer" poverty indicators¹⁶ and a deprivation study carried out regularly. In the case of children, the following indicators are suggested: children living in families with one or more parents with no labour market attachment; children of parents who are recipients of cash benefits; children of parents with no formal labour market qualifications / education; children of parents with no youth education (Poverty Commission Report 2013: 11).

We find this recommendable to ensure a multi-dimensional view and analysis on poverty. It is thus positive that following the Report of the Commission, the Government has decided that an annual poverty analysis should be carried out in accordance with the suggestions of the Expert Commission¹⁷.

Assessment and Recommendations

In general, we find the present policy framework to be comprehensive and with some exceptions, adequate to address challenges of social exclusion and poverty of children.

¹⁵ The Expert Committee on Poverty essentially argues that a poverty indicator should be in accordance with what is "ordinarily" considered poor in Denmark to remain legitimate and useful for public policy. The Committee further argues that the chosen indicator is comparable to an indicator reached through a budgeting approach. For a full discussion of indicators, see the Report of the Poverty Commission Chapter 2 and 11: <http://www.sm.dk/Temaer/sociale-omraader/ekspertudvalg-fattigdom/Sider/default.aspx>

¹⁶ The four indicators for children are: children living in families with one or more parents with no labor market attachment; children of parents who are recipients of cash benefits; children of parents with no formal labor market qualifications / education; children of parents with no youth education (Poverty Commission Report 2013: 11); <http://www.sm.dk/Temaer/sociale-omraader/ekspertudvalg-fattigdom/Sider/default.aspx>

¹⁷ Finance Act 2014: 32.

In general, the Danish welfare state pursues equal opportunities and adequate living standards for all citizens through a number of transfer services and cash and in-kind benefits. Most policy sectors have policies that aim to ensure adequate living conditions for all through universal and targeted measures (e.g. social housing, equality in health policies, prevention of abuse, etc.).

Although the decision to adopt a poverty indicator or threshold is unusual in Nordic context, we find that the analysis will be an adequate and useful basis for monitoring the situation if the income threshold is supplemented by a set of indicators and a regular deprivation study as suggested by the Poverty Commission.

In light of increasing poverty rates, we further recommend the Government to develop targeted measures on child poverty to accompany the general policy framework.

On the municipal level, in two of the largest cities in Denmark (Copenhagen and Aarhus), City Councils have passed poverty policies. We recommend that the Government coordinates and exchanges experience with these cities, and takes steps to ensure the exchange of experience between cities with high rates of poverty but no explicit policies or measures in this regard.

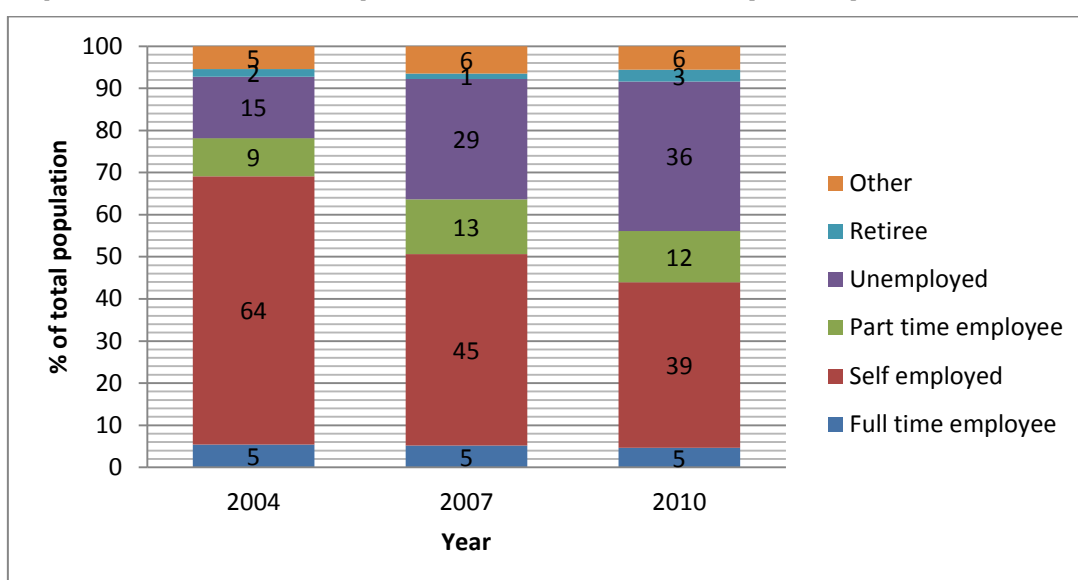
3. Access to adequate resources

Access to adequate resources in terms of financial means and sufficient living standards is key to prevent the social marginalisation that might otherwise follow from poverty. In this section we first assess policies that aim to support parental participation in the labour market, and then take a more general look at policies that aim to provide adequate living standards.

3.1. Policies to support parental/parents' participation in the labour market

Employment status of parents is an important determinant for child poverty. As it appears from figure 3.1, in 2010, only 5% of children from households with full-time employment and 12% of children from households with part-time employment are poor according to the Danish poverty indicator. In comparison, 36% of children from households with full unemployment are poor. Since 2004, the rate of poor children with unemployed parents has increased 21%. Which probably reflects the increase in unemployment following from the economic crises¹⁸.

Figure 3.1: Poor children by employment status of the parent(s) (source: Report of the Danish Expert Committee on Poverty 2013)



This indicates that employment or part-time employment in most cases ensures a life above the income level of the poverty indicator and confirms the importance of labour market instruments for prevention of poverty and social exclusion.

Labour market attachment is also a focus of the Danish approach to social policy. Thus, the Danish Government has made it the social inclusion target of the Europe 2020 strategy, to reduce the number of people in households with low employment by 22,000 people towards 2020¹⁹.

¹⁸ The Report of the Expert Committee on Poverty: p. 147; <http://www.sm.dk/Temaer/sociale-omraader/ekspertudvalg-fattigdom/Sider/default.aspx>

¹⁹ Danish National Reform Programme 2013; p. 47.

Danish labour market policies

In general, the Danish labour market is characterised by relatively low levels of unemployment and a high labour market attachment among other things due to a high labour market attachment among women. Labour market policies are based on a *flexicurity* approach that aims to combine flexible conditions for hiring and firing with high unemployment benefits and a large degree of *activation* measures to prevent social marginalisation and a quick return to labour market in case of unemployment.

The possibilities for combining work and family life are promoted through solid options for maternity and paternity leave, guaranteed child care and subsidised child care institution fees, etc.

Government policies aim to create an "inclusive labour market" with room for individuals with different capacities, including persons with the least contact with the labour market. Instruments include e.g. the flexi-job scheme, subsidised job positions, competence building and activation measures. However, in a labour market with strong requirements for formal competences and high minimum salaries, it is a challenge to ensure job opportunities for persons at distance from the labour market. When it comes to the group that are most marginalised from the labour market, even strong investments and policy initiatives have shown small impact on employment levels.²⁰

In the last decade, there has been an increasing focus on making it advantageous to work and since 2006 several tax reforms have lowered the tax for top-earners and increased the general tax allowance. In the aftermath of the economic crises, several major structural reforms have been passed including reforms of the cash benefit scheme, the retirement scheme and the disability pension and flexi-job scheme aiming to increase labour market supply and the incentive to work²¹. To some extent, reforms have been accompanied by policies targeted at those most at risk. However, the impact of reforms on equality rates is contested, some critiques arguing that reforms have had negative consequences on equality and poverty rates²².

Below we summarise the most important recent reforms with relevance for labour market supply and labour market participation. See also the *First Expert Report 2013* where recent labour market policies are described in further detail:

Tax reform 2012: The Reform aims to increase the labour market supply by making it more favourable for people in the labour force to work more, and to increase the incentive to find work for the people outside the labour force. The reform increases the general employment allowance, including a special and higher employment allowance for single parents, increases the top-bracket tax threshold and moderately regulates transfer payments down in the years 2016-23²³. The Government estimates that it, together with the reform of the disability pension scheme and the flexi-job scheme, will increase the labour market supply by 12,000 persons (16,000 when taking in contributions from working time.)²⁴

The reform of the disability pension scheme and flexi-job scheme came into force on 1 January 2013. The purpose of the reform is to retain as many as possible on the labour market and it is estimated to increase labour supply by approximately

²⁰ See e.g. the evaluating of *Fælles Ansvar II*, the Government action scheme for most exposed citizens 2007-2011 http://www.sm.dk/Temaer/sociale-omraader/Udsatte-voksne/politik/Det-faelles-ansvar-II/Documents/Faelles_Ansvar_II_rapport_FINAL.pdf

²¹ Danish National Reform Programme 2013: Chapter 4.

²² Independent Expert, first report 2013.

²³ Danish National Reform Programme 2013: 17.

²⁴ Danish National Reform Programme 2013.

5,000 full-time persons in 2020 (and around 12,000 full-time persons by 2030). The access to disability pension is being limited for individuals under 40, who will, instead, be offered a newly established resource clarification process, which emphasises the resources of the individual as well as developing their working capacity, aiming at a return to the labour market. The reform further entails that the flexi-job scheme is made more specific and that the government grant is restructured, enabling individuals with low working capacity to enter a flexi-job, while ensuring that those with the highest wages do not receive the highest grants.²⁵

Reform of the cash benefit scheme (2013). The reform introduces, among others, educational rights and benefits for young cash benefit recipients under the age of 30. The group of youth, who are able to begin an education, will be obligated to do so. Cash benefits of this group are reduced to the level of education subsidies to increase the incentive for education. The education subsidy is approx. 50% of the cash benefit for adults. A similar reduction of the cash benefit subsidy for youth under 25 years in the 1990s led to a significant reduction in unemployment among this target group²⁶. The reform also includes initiatives to support youth in finding a job, and an intensified effort to improve reading- and writing skills.

3.2. Policies to provide adequate living standards

The Danish universal welfare system aims to provide adequate living standards for all citizens and prevent marginalisation through a combination of universal and needs-based subsidies. As the majority of benefits are universal, stigmatisation is not a significant challenge for the Danish system.

In general, coverage for the poorest and most vulnerable group, including children, must be characterised as adequate. Transfer services consist in a number of benefit schemes directed at individuals who, due to unemployment, disability, sickness, maternity leave, education, etc. are not able to provide for themselves. In the majority of cash benefit schemes, most recipients would have an income above the poverty indicator²⁷. A number of benefits are higher for families with children, in particular single parents. Individuals may also be eligible for various subsidies or in-kind benefits according to need, e.g. housing subsidy, dental treatment support, free child care for single parents, etc.

Apart from that, independent of parent's income, all children have access to free health care and dental treatment, early child care is subsidised so that on average parents pay approx. 1/3 of the fee. For families with a low income, early child care is free. All families are eligible for a child subsidy; rates are per 3 months and dependent on the age of the child: for 0-2 years 4,299 DKK (approx. 566 €); for 3-6 years 3,402 DKK (approx. 455 €); for 7-14 years 2,679 DKK (approx. 359 €), for 15-17 years 893 DKK (approx. 119 €). From 2014, the subsidy will depend on an upper income threshold²⁸.

Recent developments

In the aftermath of the economic crisis, public debate has focused increasingly on the balance between "rights and duties" of citizens. The trend is an increasing emphasis

²⁵ Ibid

²⁶ <http://politiken.dk/politik/ECE1599432/lektor-faerre-penge-faar-unge-i-uddannelse/>

²⁷ Examples of income on cash benefit (according to the new reforms): For individuals above 30 with children: 13,952; Other individuals: 10,500. For youngsters under 30y living outside parent's house: 6,767 and at home 3,265 DKK. <http://bm.dk/da/Tal%20og%20tendenser/Satser%20for%202013/Kontanthalp.aspx>. The recently adopted poverty indicator is presently at 8,600 DKK per month

²⁸ <http://www.skat.dk/SKAT.aspx?oId=4917>

on the duty-aspect and a strengthened moral awareness among citizens on eligibility for benefits. So far, though, subsidies have not been markedly reduced, exceptions being the reduction of the cash benefit for youth who are ready for a job and education to the level of the lower educational benefit.

Apart from the reforms already summarised in the section above, recent relevant reform efforts include:

Reform of the Cash Benefit System, 1 January 2012: As part of the 2012 Budget Bill, it was decided to abolish the low benefits in the social assistance system from 1 January 2012. These benefits include start help, introductory benefit, the ceiling on social assistance benefits, the so-called 500-kroner reduction and the 225-hour rule. The change is estimated to involve an increase in benefits for just fewer than 16,000 whole-year benefit recipients²⁹. The Government also abolished the ceiling on the allowance to children and young people, so that families can obtain full allowance for all children, irrespective of how many children they have. Civil society organisations have strongly applauded the changes, not least as the lowest cash benefits in many cases led to an income less than the poverty indicator. The abolishment of subsidies can be expected to be positively reflected in poverty statistics, particularly among ethnic minorities. According to opposition parties – should they win the forthcoming election – the lowest cash benefits will be re-introduced.

Reform of the compensation for lost wages to families with children and young people with disabilities. The compensation is given when the child or young person has severely and permanently reduced physical or mental functional capability or an impairing chronic or long-term illness. The lost wages compensation will be raised by 7,000 DKK per month (approx. 935 €) effectuated from 1 July 2012. Thus, the amendment will improve the terms of families with children with disabilities or invasive disease³⁰.

An improvement of marginalised citizens' living conditions and a decrease of the negative consequences of poverty and social exclusion. Initiatives amounting to 130 million DKK (approx. 17,500,000 €) in the period of 2012-2015 include:

- An expansion of the volunteer debt counselling service aimed at improving the terms of citizens with low income, debt and a low allowance;
- A strengthened and preventive counselling effort in housing areas aimed at preventing evictions of tenants who have not paid their rent;
- A strengthened effort in the disadvantaged housing sector aimed at creating equal opportunities for children in socially vulnerable families.

Agreement on implementation of the rate adjustment pool for 2013 (2012). In the 2013-2016 period, some DKK 360 million (approx. 48 million €) will be earmarked for socially disadvantaged children and young people. Of this amount, DKK 268 million (approx. 35 million €) will be used as part of an overall effort to ensure extensive, early and preventive measures in relation to children to protect them from abuse and neglect. In addition, DKK 60 million (approx. 8 million €) will be earmarked for counselling teams to support inclusion in day-care facilities and schools. DKK 51 million (approx. 7 million €) will be earmarked for socially disadvantaged adults, and this also involves the development of a strategy for disadvantaged Greenlanders and their children as well as a strengthening of the role of shelters in the social initiatives.

²⁹ National Reform Programme 2012: 28.

³⁰ Ministry for Social Affairs: National Social Report, Denmark 2012 p. 5f.

Finally, DKK 50 million (approx. 6 million €) will be earmarked for holistic initiatives in the field of social housing³¹.

Finance Act 2013 initiatives aimed at social inclusion. Under the agreement, a number of initiatives have been adopted targeting the most disadvantaged groups in society. A right to a refund of dental expenses has been introduced for people receiving the lowest benefits. The scope for action of local authorities has also been widened in relation to tenants at risk of eviction³².

3.3. Assessment and recommendation

In general, the access to adequate resources in terms of financial means and sufficient living standards is well promoted through existing labour market policies and various social schemes.

In terms of the impact of reforms on poverty, although schemes and benefits in a number of cases are narrowed, benefits are generally not reduced to a level below the income level of the poverty indicator, an exception being the cash benefit for youth up to the age of 30 with the ability to pursue an education.

The cut-backs of reforms have in a number of cases been accompanied by various measures targeted at groups vulnerable to poverty, e.g. single parents or households with the lowest income. Also the reform of the cash benefit (2012) has abolished a number of the lowest cash benefits and must be expected to have a positive impact on poverty rates. Thus although recent reforms may have a negative impact on equality, poverty rates are less likely to increase.

Presently, labour market attachment is a key policy focus which underpins also social policy, e.g. the Danish 2020 Europe social policy goal is to reduce the number of households with weak labour market attachment by 22,000. Whereas undoubtedly few people in employment live in poverty, for some of the most exposed groups, employment prospects in the Danish labour market are poor. For these groups, other than employment-related efforts may be necessary. The growing poverty among self-employed and single parents is of concern and calls for more in-depth analysis of target groups and cases to assess whether further measures are necessary.

We find the high and sharply increasing poverty rate among ethnic minority children of particular concern. Although to some extent, poverty rates may be reversed following the abolishment of the lowest cash benefits, growing poverty among ethnic minorities combined with increasing ethnic segregation in housing and education and a tense public debate on integration may lead to a general ethnic and social segregation of society with negative consequences for social inclusion and social coherence. So far, the Government has taken a mainstreaming approach to integration. We recommend consideration of a targeted approach and measures in the field.

³¹ National Reform Programme 2013: Chapter 4.

³² Ibid.

4. Access to affordable quality services

In this section we assess the access to affordable quality services in key sectors relevant for child poverty, namely the access to childhood education and care, the education system, the access to health, housing and the prevention of abuse and neglect.

4.1. Access to early childhood education and care

Good child care and educational institutions play a key role in breaking the cycle of disadvantage. In Denmark, parents are guaranteed child care from 26 weeks. If the municipality cannot offer this, families can have their expenses covered for private day care or day care in other municipalities. Institution fees are subsidised by municipalities (parents pay maximum 25%), and families are eligible for a sibling subsidy and subsidies for care for disabled or socially disabled children. For households with an income under 156,000 DKK (approx. 21,000 €), child care is free³³.

Public and most private contracts allow a fully subsidised maternal leave of approx. 5-12 months. A shorter parental leave is becoming increasingly more common.

The quality of child care institutions is generally good, although quality of services vary between institutions. Parents with more economic, social and cultural capital tend to ensure placements in institutions with better service standards. The private sector for early childhood care is growing, thus from 2007 to 2013, the number of children attending private early child care institutions has increased from 8,960 to 15,800 (expected)³⁴. It is not clear what different institutional property forms imply for the quality of services.

In the area of day care, the Government has initiated the Development programme – Day care of the Future focusing on producing knowledge about the effect on children's learning and well-being. The aim of the programme is to improve academic standards in the primary and lower secondary school, strengthen the well-being and learning for all 0-5 year-olds and reduce the significance of social heritage in relation to children's learning and well-being³⁵.

Attending public child care institutions is generally seen as important for migrants and descendants in order to improve language capacities and the competence to navigate within the Danish system. Although migrants' use of early childhood care has increased markedly over the last decades, children of non-western migrants and non-western descendants participate less in early childhood care than children of Danish origin. The difference is largest for the youngest. Thus 91% of 1-year-old Danish children attend early childhood care compared to 61% of children of non-western descendants. For 4-year-old children, the attendance rates are 94% for Danish children, 92% for descendants and 89% for children of descendants. Although rates are quite similar for the group of 4-year-old children, it is noteworthy that children of descendants participate less in early child care than descendants³⁶.

Attending early childhood care is voluntary. Various propositions to promote descendants' attendance in early child care (e.g. making early child care compulsory

³³ <https://www.borger.dk/Sider/regler-for-dagtilbud.aspx>

³⁴ Analysis carried out by FOA, Trade Union for Public Employees
<http://www.foa.dk/sitecore/content/Global/News/Pressemeddelelser/2013/Marts/Flere-boern-passes-privat>

³⁵ National Reform Programme 2013: 44.

³⁶ Danmarks Statistik: indvandrere i Danmark 2011: p. 146.

for migrant children in the exposed areas; reduce cash benefits for migrant parents whose children do not attend early child care) have been discussed but not adopted³⁷.

4.2. The education system and the capacity to break the cycle of disadvantage

In comparison with other countries, social mobility between generations in Denmark is high. There are still though indications of intergenerational transmittance of social disadvantage (intergenerational transmittance of social disadvantage). There is some correlation between education and income of parents, and education and income of their children. Mobility in education is less than the mobility in income, and income mobility is quite limited between the richest fifth and the poorest fifth of the population. Research indicates that "softer" dimensions such as the education and preferences of parents are as important as parental income for the child's future achievement and choices³⁸.

Child care and education institutions have an important role in providing equal opportunities for children and breaking the intergenerational transmittance of social disadvantage. According to the Child Longitudinal Study by the Social Research Institute (2012), only 5% of poor children achieve an average of 10 or more at the elementary school exam compared to 14% of children who have never been poor. Poor children are also more likely to have non-allowed school-allowance (42% of poor children as compared to 29% of children who had never been poor). As educational achievement and qualifications are essential for future employment and income prospects, child poverty is thus likely to have a negative impact on future prospects of the children.

On the background of average Danish ratings on international PISA scale and a public debate over the academic quality of Danish teaching, a recent reform of the school system was passed in the spring 2013. The reform "*Making a good school even better – boosting standards in the primary and lower secondary school*", aims for approximately 95% of a youth cohort to complete at least one youth education programme and at the same time reducing the significance of social background in terms of academic results. The reform introduces a so-called "whole day school" with significantly longer school days (30h a week for the youngest children, 37h a week for the oldest), introduces activity hours, strengthens English, Danish and mathematics and sets clear national objectives. It also transmits larger degrees of decision making to school masters and local authorities³⁹. The reform is not yet fully implemented and it is thus too early to estimate the impact on quality of teaching for the poorest children. The impact of a whole-school day on socially disadvantaged children is debated.

The Danish education system is presently challenged with an increasing out flux of the most resourceful children from public elementary school to a growing private school sector. On national level, one sixth of children attend a private school; in Copenhagen the rate is 28%⁴⁰. As the average academic performance of private school in a number of municipalities is significantly better than the public school⁴¹, this adds to a vicious cycle of declining academic quality in the public school system and must be expected

³⁷ <http://www.b.dk/danmark/s-vil-tvinge-boern-af-indvandrerere-i-vuggestue>

³⁸ Danish Poverty Commission, Report, 2013: 150-151.

³⁹ National Reform Programme 2013: 24.

⁴⁰ <http://www.90mandater.dk/2012/12/31/eliteskoler-pa-fremmarch/>

⁴¹ http://www.ugebreveta4.dk/da/2012/201219/Mandag/karaktergab_mellem_privatskoler_og_folkeskoler.aspx

to have negative impact on the ability of the public sector to break the transmittance of social inheritance.

Particularly in larger cities and in some areas of the country (e.g. the area west of Copenhagen), this challenge has an "ethnic" dimension, as in a number of cases, low pupil performance in public schools correlates with a high concentration of ethnic minorities. Attempts by some of the larger cities (e.g. Copenhagen and Aarhus) to achieve better distribution of pupils either through compulsory or voluntary schemes have so far had limited success.

The Government aims for a larger rate of children with special education needs to be included in the ordinary school system. Presently, 94% of pupils are included in the ordinary school system and the goal is for 96% of children to be included⁴².

4.3. Access to quality health care

Although Danish society has a strong focus on equality and a strong safety net for the weakest, we find a solid and growing inequality in health. One example is the difference in life expectancy between social groups. Thus the wealthiest fourth of Danish men live approx. 10 years longer than the poorest fourth of Danish men and the gap has almost doubled during the past 25 years⁴³.

The Ministry for Health and Prevention (2013) points to child poverty as one of the factors with the largest impact on children's early development and social status later in life.⁴⁴ A lack of necessary resources in the family for food, clothes, housing, health, etc. reduces the child's preconditions for health, education and participation in social activities. An in-depth study on poor children's health experiences shows that although poor children are aware of what is required in order to be healthy, their desires and needs are difficult to fulfil due to their deprived circumstances and their own limitations. Family and social network are key conditions for health, but are in general insufficient to support the child.⁴⁵

The Danish Government has taken various steps to address this challenge. On the background of the WHO resolution *Reducing Health Inequities through Action on the Social Determinants of Health* (2009), which calls for member states to analyse and launch initiatives in this field, the Danish Health Agency in 2009 commissioned an in-depth report on health inequality. The report *Inequality in Health, Causes and Efforts 2011*⁴⁶ thoroughly documents the challenges of health inequality, finding a strong social bias in health related to not only personal genetics and life style choices, but also to a complex interaction between dimensions such as education, social background, labour market attachment, housing, etc. A follow-up analysis by the Danish Health Agency (2009) documents a significant difference between socially

⁴² <http://www.folkeskolen.dk/521263/saa-mange-gaar-paa-specialskole-i-din-kommune>

⁴³ http://sum.dk/Aktuelt/Nyheder/Lighed-i-sundhed/2013/Marts/~/_media/Filer%20-%20Publikationer_i_pdf/2013/Ulighed-i-sundhed-2013/Ulighed-i-sundhed-marts-2013.ashx

⁴⁴ Finn Diderichsen, Ingelise Andersen og Celie Manuel Agen on behalf of the Danish Health Agency (2011):
http://www.sst.dk/publ/Publ2011/SURA/Ulighed_i_sundhed/UlighedSundhedAarsagerIndsats er.pdf

⁴⁵ Lene Hammer-Helmich & og Kristine Sørensen: Et indblik i fattige børn oplevelse af sundhed, speciale ved Folkesundhedsvidenskab (2005).

⁴⁶ Finn Diderichsen, Ingelise Andersen og Celie Manuel Agen on behalf of the Danish Health Agency (2011):
http://www.sst.dk/publ/Publ2011/SURA/Ulighed_i_sundhed/UlighedSundhedAarsagerIndsats er.pdf

disadvantaged groups⁴⁷ (recipients of cash benefit and disability pensions, unemployed) and the general adult population on a number of health indicators, such as having a long-term disease, being limited by disease in daily chores, personal assessment of health, smoking and physical activity⁴⁸.

Thorough research among OECD countries has not been able to identify a unilateral connection between health inequality on the one hand and income level and welfare model on the other. This indicates that inequality in health needs to be addressed with more complex interventions than mere social equity efforts and that specific health issues need to be addressed within other sector policies (labour market, education, etc.).

Since the 2011 election, several initiatives to prevent health inequality have been introduced, among others:

- Local prevention centres and prevention packages to support local services and municipalities in a targeted prevention effort.
- Strengthened effort against passive smoking and better enforcement of regulations against the sale of tobacco and alcohol to youth.
- Subsidised dental treatment for cash benefit recipients.
- Elimination of interpretation fees at hospital and general practitioners, for persons with more than seven years of residence in Denmark

As part of a larger health package, the Government has in May 2013 proposed various initiatives to strengthen the effort to prevent inequality in health, i.e. national targets for health, to strengthen alcohol treatment and support for smoking-stop; to strengthen initiatives for citizens with psychiatric diseases, to introduce an equality check of health services and improve maternity support with a special focus on vulnerable families. Initiatives amount to a total of 334 million. DKK (approx. 45 million €) and are expected to be financed as part of the Finance Act 2014⁴⁹.

4.4. Adequate housing and living environment for children

Danish housing policy aims to strengthen social cohesion, the welfare of the individual and promote growth and a competitive society. Below we summarise key aspects of housing policy with relevance for poverty and social inclusion:

All citizens are eligible for a housing subsidy if they rent a dwelling with a kitchen. Eligibility for rental subsidy is income-dependent and citizens must actively submit an application. Persons on retirement and on disability pensions are also eligible for housing subsidy if they live in home-owned dwellings or cooperative housing (*andelsbolig*). Only one person in a household can receive a housing subsidy. The subsidy depends on income, household composition, etc. and is calculated as a percentage of the rental (e.g. for single persons up to 15% until a maximum limit).

Denmark has a large social housing sector. As stated by the Consolidation Act on Social Housing, the overall objective of the social housing sector is to solve urgent social problems through the provision of appropriate housing for those in need, at a reasonable rent, and to allow tenants' influence over their own living conditions. The social housing sector comprises approximately 700 social housing organisations with 7,500 divisions (estates) in total, all of which are run on a non-profit basis. There are

⁴⁷ Although there is not a 1:1 relation between poverty and social disadvantage, the risk of being poor is substantially larger among socially disadvantaged citizens and the children of these households.

⁴⁸ Danish Health Agency 2009: "Health and disease among socially disadvantaged citizens" http://www.sst.dk/publ/publ2009/cff/ligthed_sundhed/ligthed_i_sundhed.pdf

⁴⁹ Government proposal for Finance Act 2014.

a total of approx. 595,000 social dwellings, which adds up to about 20% of the total Danish housing stock. Most social housing is constructed and run by 700 social housing organisations. The management of social housing construction is based on a model of target and agreement management between city council and housing organisation. Social family dwellings are rented out according to seniority based waiting list where priority is given to certain groups (e.g. elderly and disabled persons; tenants already residing in one of the housing organisation's dwellings and in some cases families with children). In order to solve urgent social problems, the local council can decide to exercise its right to nominate tenants for one quarter of vacant family dwellings and dwellings for young persons, and up to 100% of vacant dwellings⁵⁰.

In recent years, the social housing sector has experienced an increasing social and ethnic segregation resulting in a number of the so-called exposed areas (under the previous Government, commonly labelled *ghettos*) where challenges in terms of social problems, crime and unemployment are concentrated. According to the recent Government proposal *Exposed areas – the next step*⁵¹, an exposed area is one that fulfils three of five criteria related to a resident's labour market attachment, non-western immigrant origin, criminal record, education and income. Twenty-nine areas in Denmark are exposed areas according to these criteria.

The Government proposal continues the efforts of the previous Government to counter segregation in exposed areas. Key initiatives include enormous investments in renovation, social support and activity programmes, and on temporary basis, rent reductions to persuade people to stay even after their financial situation would otherwise allow them to move to other areas. The Government has also introduced various instruments to create flexibility in the waiting list system for social housing to facilitate diversification of residents. Flexible letting regulations allow the local council and the housing organisation to allocate vacant social family dwellings based on selected criteria (e.g. residents in employment; students, commuters, etc.). Flexible letting rules do not apply to the dwellings chosen- for social purposes.

According to some studies⁵², social, financial and organisational efforts combined with rent reduction have in some cases been successful in stopping a negative trend in the resident mix in housing estates. When it comes to reversing the trend, turning it into an actual gentrification process, results are more mixed.

4.5. Prevention of abuse and neglect

In recent years and in the aftermath of several serious cases of abuse and neglect, the effort to prevent the abuse and neglect of children has been strengthened through various reforms and initiatives.

We have previously mentioned the Reform of the Child (2010), which from a children's rights approach, strengthens the child's opportunity for complaint and the involvement of the child and child's family and network in the case of the child. The Reform further clarifies the objective of the Service Law in five concrete goals and makes it possible for professionals to exchange information on personal issues

⁵⁰ Ministry of Housing, Urban and Rural Affairs: Factsheet: *The Danish Social Housing Sector*, http://mbbl.dk/sites/mbbl.dk/files/dokumenter/publikationer/the_danish_social_housing_sector.pdf

⁵¹ Ministry of Housing, Urban and Rural Affairs 2013: http://mbbl.dk/sites/mbbl.dk/files/dokumenter/publikationer/tryghed_i_udsatte_boligomraader.pdf

⁵² Hans Kristensen, Centre for Housing and Welfare; Realdania Research (2007): housing in Denmark.

concerning a child between social services, school, health and day care⁵³. The reform changes the conditions and requirements of foster families and the municipality supervision of day care institutions is strengthened.

Another key reform is the Supervision Reform (2012) which changes the rules of supervision of 24h care institutions for socially disadvantaged and disabled citizens with the aim of strengthening the professional quality of care. The reform implies among others that responsibility for supervising care institutions is moved to five large supervision entities and that requirements for approval of care institutions are strengthened.⁵⁴

From 2013-16, The Danish Government has allocated DKK 268 million (approx. 35 million €) for a package to protect children and young people from abuse. The initiatives include strengthening children's right to be heard and to be protected, improving the municipalities' reaction to notifications on children who may be in need of special support and the establishment of houses for children who have been victims of abuse and who need highly qualified help from social authorities, the police and the health care system.

4.6. Assessment of policy framework and recommendations

The general commitment to equal opportunities, which is characteristic of the Nordic welfare model, is reflected in sector specific policies. Thus, most policy sectors have policies or measures that aim to ensure quality services for all citizens, e.g. special education services for socially challenged children, social housing policies that aim to ensure adequate living standards for those in urgent need, foster care and 24h day care for neglected or abused children, etc.

From our analysis we shall emphasise the following challenges:

Firstly, a growing social and to some extent ethnic segregation of the education sector following from an out flux of the most resourceful pupils from the public to the private sector. As education is the key institution to break the intergenerational transmittance of social inheritance, this is crucial for equal opportunity efforts.

Secondly, a growing social and ethnic segregation in the housing sector, leading to a number of so-called exposed areas, where social problems, crime and unemployment are concentrated. In spite of substantial investments, so far existing policies have not been able to break the negative trend. It is a general concern whether existing services adequately meet the diverse need of the population, including ethnic minorities, or whether e.g. intercultural competence building or targeted services may be necessary.

⁵³ <http://www.sm.dk/temaer/sociale-omraader/boern-unge-og-familie/barnetsreform/Sider/default.aspx>

⁵⁴ <http://www.sm.dk/Temaer/sociale-omraader/tilsynsreform/Sider/default.aspx>

5. Addressing child poverty and social exclusion in the European Semester

In the field of social inclusion, the Danish Europe 2020 target is to reduce the number of persons in households with low income by 22,000 households. Denmark did not receive a Country Specific Recommendation (CSR) with direct relevance for child poverty.

We have in previous report sections referred to the social inclusion target of the Europe 2020 strategy and various efforts of the Danish National Reform Programme 2013. In general, the NPR expresses commitment to reduce poverty and give special priority to socially disadvantaged children and young people and initiatives to prevent social problems.⁵⁵ The Reform Programme makes explicit reference to the establishment of a Danish poverty indicator (see previous sections) and intent to consider the recommendation of the Poverty Commission. Reform efforts in other areas e.g. education also reflect a commitment to reduce social inheritance⁵⁶.

Reforms explicitly mentioned in the NRP to underpin the social inclusion effort include:

- Reform of the disability pension scheme and flexi-job scheme
- Reform of the cash benefit scheme
- Agreement on implementation of the rate adjustment pool for 2013
- Finance Act 2013 activities aimed at social inclusion and
- Improvement of drug misuse treatment

Initiatives underpin measures previously introduced, e.g. the 2011 abolishment of the lowest cash benefits.

Assessment and recommendation

We find it positive that the National Reform Programme (2013) explicitly refers to a commitment to reduce poverty and prevent of social exclusion with a particular focus on children and disadvantaged groups.

We have noted, though, that the social inclusion target and a number of social inclusion efforts are focused on employment and labour market. Whereas long-term unemployment increases the risk of social marginalisation and labour market attachment accordingly is a protecting factor against poverty, we have previously questioned whether a single-focused labour market approach is adequate.

⁵⁵ National Reform Programme 2013: 45.

⁵⁶ E.g. on the recent reform of the primary and secondary school system, according to the Reform Programme *"the reform should contribute to reducing the significance of social background in terms of academic results in terms of academic results"* (p23).

6. Mobilising relevant EU financial instruments

In this section we will briefly assess the extent to which Denmark makes use of EU financial instruments to support relevant priorities and interventions.

During the period 2007-2011, EU structural funds contributed with DKK 492 million (approx. 66 million €) annually in order to support regional and social development. The ambition was to support projects and measures aimed at strengthening competitiveness and employment in Denmark⁵⁷. Specifically the initiated projects are aimed at supporting development in four special areas which are:

- Development of human resources;
- Establishment and development of new companies;
- Innovation and knowledge production;
- New technologies.

In regard to the European Social Fund (ESF) in Denmark, the aim is to spread the spirit of entrepreneurship and innovation among all social groups. This is done by investing in people and their education and skills, which is helping to sustain the success of Denmark's open economy. Also the aim of the ESF is to provide pathways to work for disadvantaged job-seekers in the push to raise employment and boost social integration. The table below gives an overview of budget allocation regarding ESF in Denmark.

Table 6.1: ESF co-funding breakdown⁵⁸

	EU	National	Private	Total
Denmark	€254,788,619	€175,229,442	€79,559,177	€509,577,238

Combating shortages

As Denmark's population ages, the ESF is helping bring more job-seekers into the workforce by removing the obstacles that many face: such as older workers who need new skills, immigrants who need language skills and parents who want help with childcare responsibilities so they can return to work. In relation to this several projects has been initiated:

In the *Hold Fast project*, young people are helped to stay at school and get qualifications – encouraged by mentoring and summer schools. ESF projects are working with employers to encourage more flexible working practices for parents, while others are helping adapt workplaces for people with disabilities.

In response to the high school and vocational education drop-out rates of young people from ethnic minority backgrounds, the Danish *"Hold On Tight Caravan" project* is supporting all elements of the education and training process to increase the number of young people from minorities with qualifications.

Ethnic Danish-owned micro, small and medium-sized enterprises (SMEs) grow more and survive longer than non-ethnic-Danish-owned SMEs, according to 'Entrepreneurship in Denmark'. With the help of the ESF, this organisation seeks to help non-ethnic-Danes realise their full potential by offering free counselling when they are setting up a business in Denmark.

⁵⁷ http://w2l.dk/file/5469/Socialfondsprogram_2007-2013.pdf

⁵⁸ <http://ec.europa.eu/esf/main.jsp?catId=443&langId=en>

The organisation has identified a number of barriers it wants to remove which prevent non-ethnic-Danish entrepreneurs from becoming successful, including information, financial and linguistic difficulties. It targets all non-ethnic-Danes, including young people, women and men, who often tend to be highly qualified as well.

These projects - accompanied with the abovementioned reforms - are important steps in order to enhance labour supply and employment among disadvantaged people – among these, ethnic minorities' single parents, etc. In this way they also contribute to combatting child poverty. As the above analysis illustrates, poverty is more widespread among children of ethnic minorities and single parents.

Furthermore projects funded from the ESF also strive to meet the CSR for Denmark in relation to education, training and skills upgrading.

Relevant policy objectives and indicators

In the Danish Programme for the European Social Fund 2007-2013, the “more and better jobs” impact objectives and more specific result objectives are listed⁵⁹.

⁵⁹ http://w2l.dk/file/5469/Socialfondsprogram_2007-2013.pdf

