

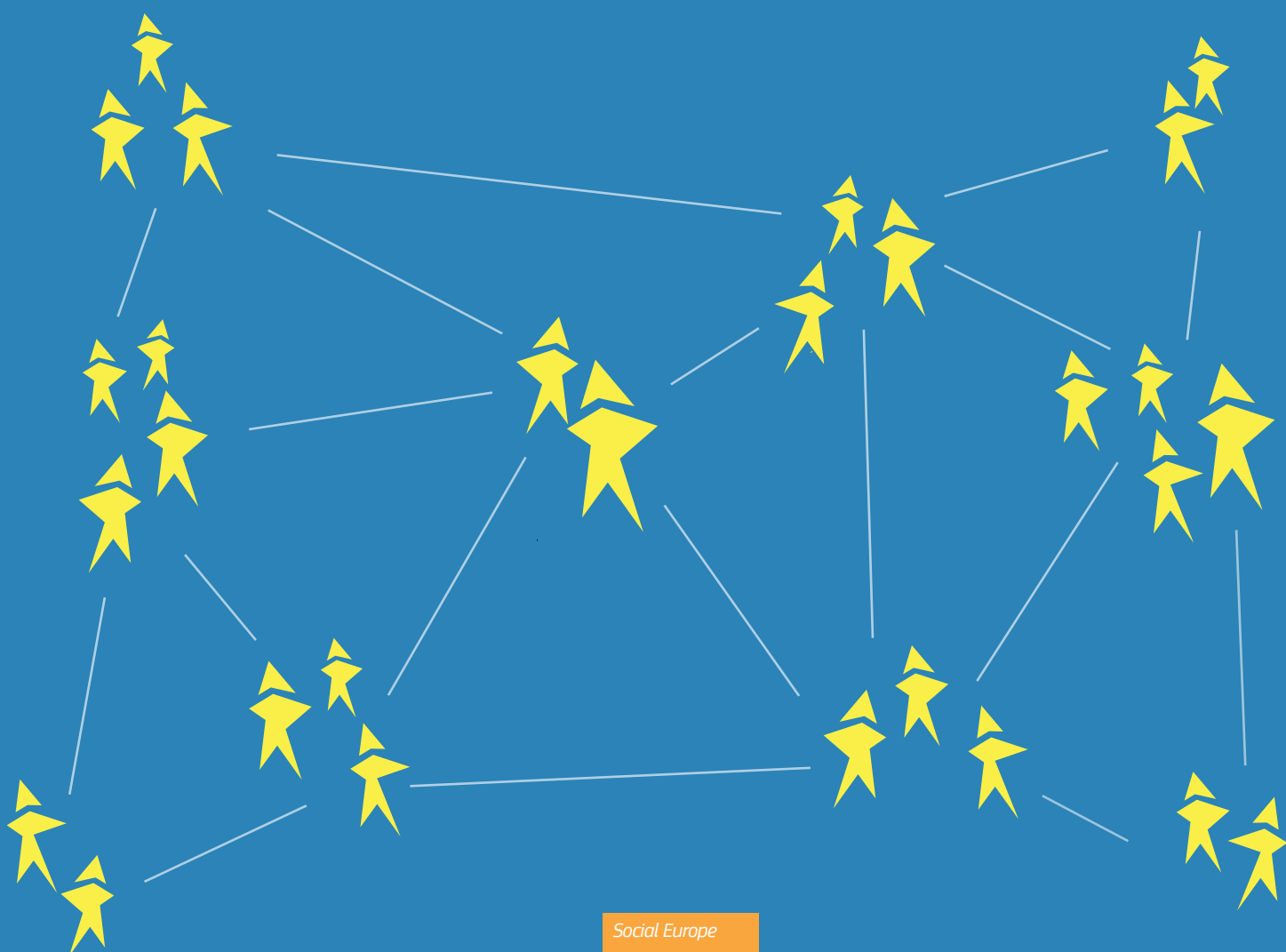


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Access to social protection for young people

## Denmark

Jon Kvist



Social Europe

**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
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**European Social Policy Network (ESPN)**

**ESPN Thematic Report:  
Access to social protection for  
young people**

**Denmark**

**2021**

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## SUMMARY

Young people in Denmark have access to social protection in the same manner as other age groups, but their benefits are generally lower.

Access to the voluntary unemployment insurance scheme is incentivised for young people by giving students free membership of the scheme one year prior to graduation. Recent graduates who are unemployed have access to unemployment insurance benefits even though they do not fulfil the work requirement. Their graduate-level benefit is lower than the ordinary benefit but considerably higher than the state study grant. Unemployed young people under 25 without education get benefits at a lower level than other age groups.

In addition to the general unemployment insurance scheme for wage-earners, there is a special unemployment insurance scheme for the self-employed and people in non-standard jobs. The latter covers people who have a combination of income as wage-earners and as self-employed people and freelancers. A recent reform allowed such people to combine income from different sources in order to become entitled to benefits, instead of having to qualify under either the scheme for wage-earners or the one for self-employed people – which left many people in non-standard jobs without coverage. As young people are disproportionately likely to do non-standard jobs and combine earnings from different jobs, they have benefited from recent reforms in terms of better unemployment insurance coverage.

Young people have the same access to maternity, paternity and parental cash benefits as other age groups, and the benefit levels are not different for young people.

There is a general guaranteed minimum income (GMI) scheme and a special scheme targeted at young people without education. The general GMI scheme is for young people under 30 with an education. Benefit levels depend on a number of aspects but are generally lower than for people over 30. Benefits under the special scheme targeted at young people without education are set in relation to the level of the state study grant, and are markedly lower than for both older people and young people with education. There are no age-specific access problems for young people to any of the GMI schemes.

Young people have many problems entering the housing market, but formal access to housing support is not one of them. However, administrative burdens associated with housing support may reduce benefit take-up by young people.

Policy responses to COVID-19 and national debates have not centred on young people's access to social protection.

A coming reform, following political negotiations in autumn 2021, is likely to change the system of GMI markedly, including the situation of young people. The reform will probably not affect young people's access to GMI schemes, but rather the related administrative burden, benefit levels and work/education incentives. The reform will greatly reduce the complexity of the system, with (currently) 30 categories of young people receiving benefits at eight levels reduced to everyone irrespective of age receiving one benefit at two levels. Most young people will qualify for the benefit at the lower level. This will be a reduction for young people currently receiving the highest benefits, and an increase for those receiving the lowest.

Other reforms may follow in the area of education, social work, and active labour market policies, as the Reform Commission is about to publish its analysis and recommendations on this in 2021 or 2022.

There is no strong need to improve access to social protection for young people in general beyond these reforms in the pipeline. However, the take-up of housing support might be improved by reducing administrative burdens, as in the upcoming reform of the GMI support system.

# 1 Key figures on the socio-economic situation of young people<sup>1</sup>

## 1.1 Distribution of young people (aged 15–29) by main activity status

**Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Denmark , % 15-29 and 30-64)**

	DENMARK											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	58.3	58.8	59.1	60.4	61.2	60.1	77.7	78.6	79.3	80.1	81.0	80.5
<i>Paid employment**</i>	97.5	97.4	97.0	97.0	97.1	97.0	90.0	90.1	90.8	91.1	90.8	90.7
<i>Self-employment**</i>	1.9	1.8	2.3	2.3	2.3	2.4	9.3	9.2	8.5	8.3	8.6	8.7
<i>Contributing family work**</i>	0.5	0.8	0.7	0.7	0.6	0.6	0.8	0.7	0.7	0.6	0.6	0.6
UNEMPLOYMENT***	11.0	11.1	11.3	9.9	9.7	11.0	4.9	4.5	4.2	3.7	3.5	4.0
INACTIVITY****	34.6	33.9	33.4	33.0	32.2	32.4	18.2	17.7	17.2	16.9	16.1	16.2
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work**</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (\*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (\*\*) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (\*\*\*) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in Denmark, 60.1% of people aged between 15 and 29 were in employment, compared to 80.5% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in Denmark was 11.0% of the 15-29 age group and 4.0% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in Denmark in the 15-29 and 30-64 age groups were 32.4% and 16.2%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [lfsa\_eegais], [lfsa\_egaps], [lfsa\_pganws] and [lfsa\_igan]. Data downloaded on 24 May 2021.

<sup>1</sup> Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

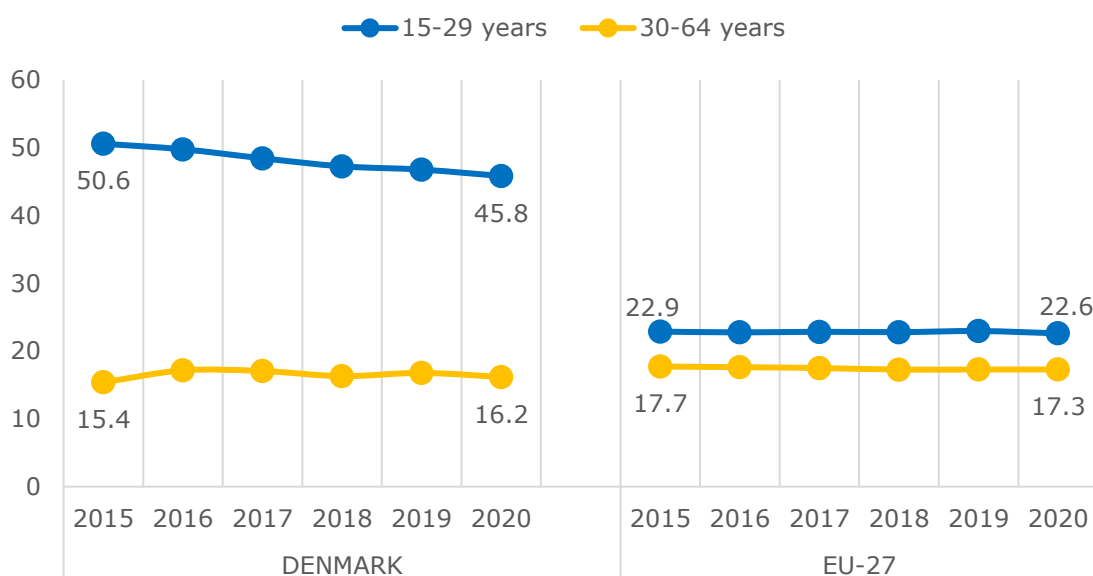
**Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Denmark, ratios 15-29/30-64)**

	DENMARK						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.75	0.75	0.74	0.75	0.76	0.75	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.08	1.08	1.07	1.07	1.07	1.07	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.21	0.19	0.27	0.28	0.27	0.28	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	0.72	1.14	1.12	1.13	1.08	1.00	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	2.21	2.48	2.72	2.70	2.75	2.78	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	1.89	1.92	1.94	1.95	2.00	2.01	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in Denmark, 60.1% of people aged between 15 and 29 were in employment compared to 80.5% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.75. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

Source: See Table 1a.

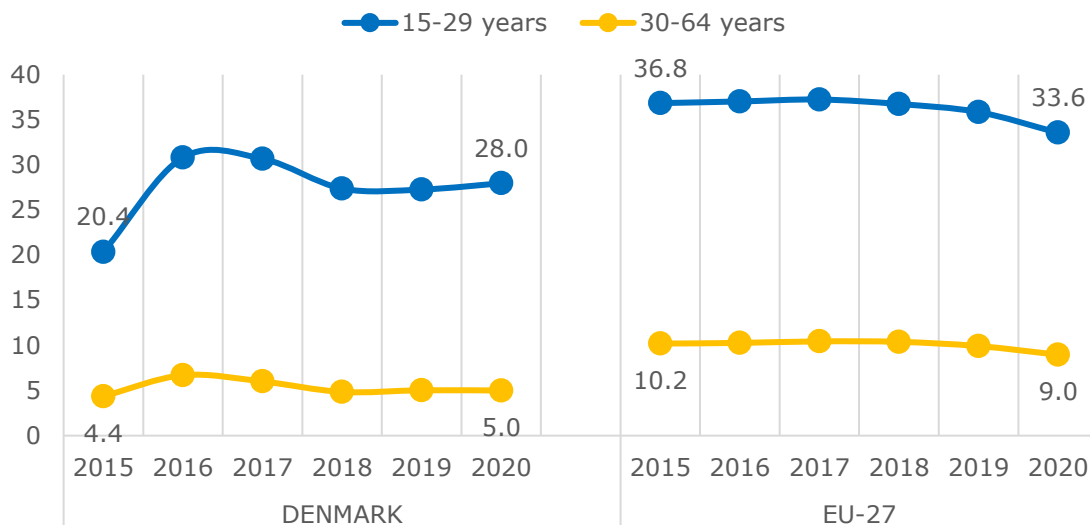
**Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Denmark, %)**

Reading note: In 2020, in Denmark, the share of part-time employment in total employment was 45.8% for the 15-29 age group and 16.2% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa\_epgn62]. Data downloaded on 24 May 2021.



**Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Denmark, %)**

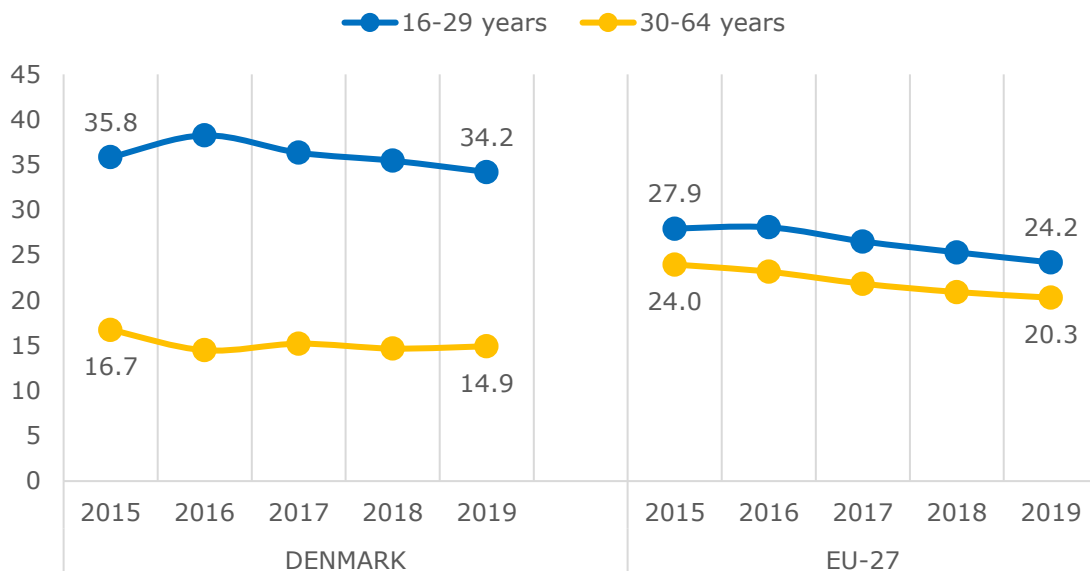


Reading note: In 2020, in Denmark, the share of temporary workers among employees was 28.0% for the 15-29 age group and 5.0% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa\_epgn62] and [Ifsa\_egaps]. Data downloaded on 24 May 2021.

### 1.2 Young people (aged 15–29) at risk of poverty or social exclusion

**Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Denmark, %)**

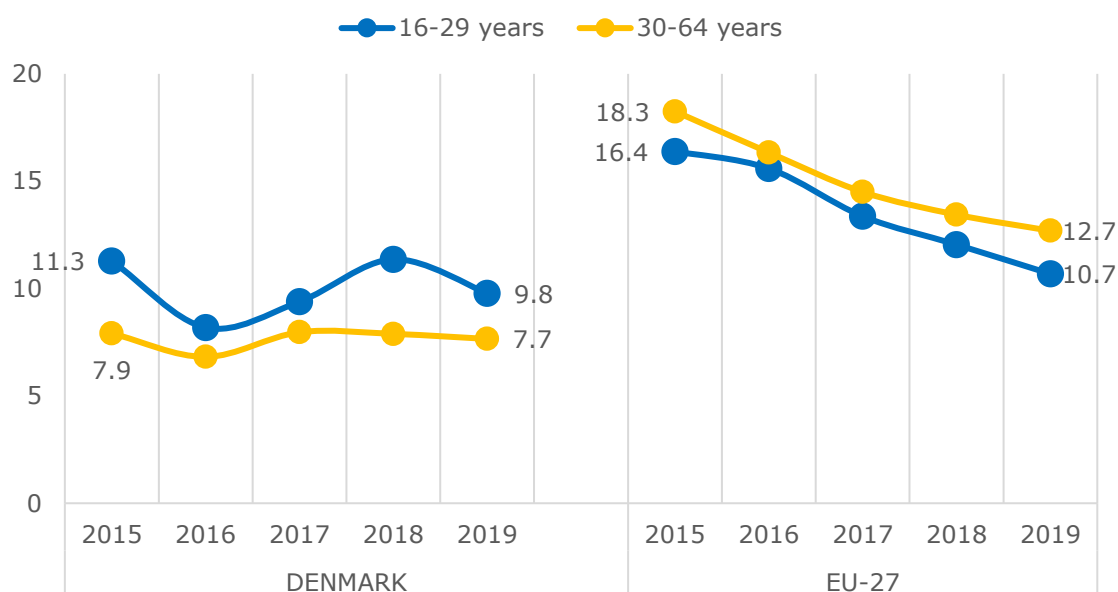


Reading note: In 2019, in Denmark, 34.2% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 14.9% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_peps02]. Data downloaded on 24 May 2021.

### 1.3 Young people (aged 15–29) materially and socially deprived

**Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Denmark, %)**

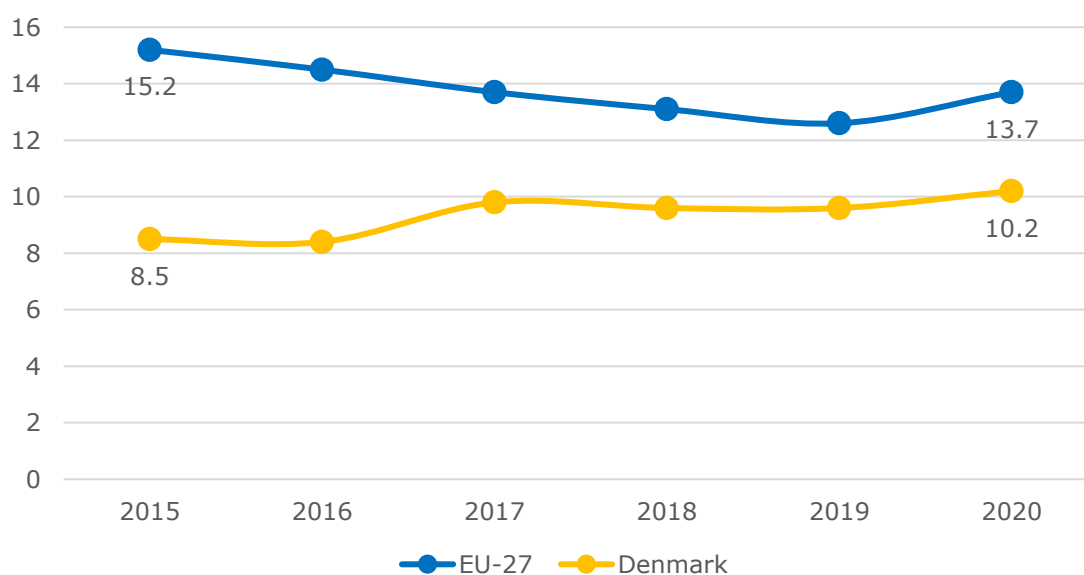


Reading note: In 2019, in Denmark, 9.8% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 7.7% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_mdsc]. Data downloaded on 24 May 2021.

### 1.4 Young people (aged 15–29) neither in employment nor in education or training (NEETs)

**Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and Denmark, %)**

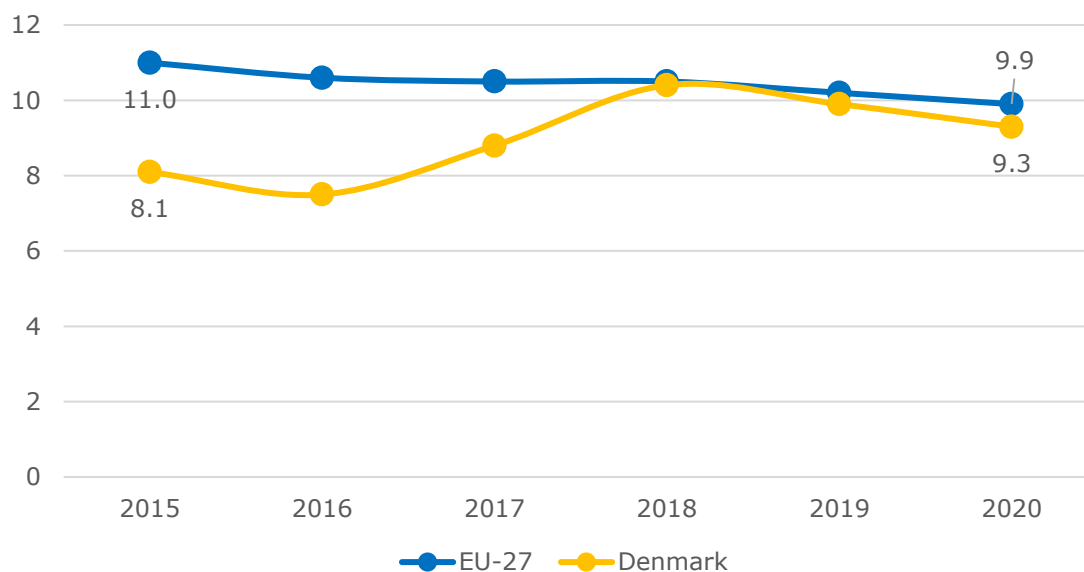


Reading note: In 2020, in Denmark, 10.2% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse\_20]. Data downloaded on 24 May 2021.

## 1.5 Early leavers (aged 18–24) from education and training

**Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and Denmark, %)**

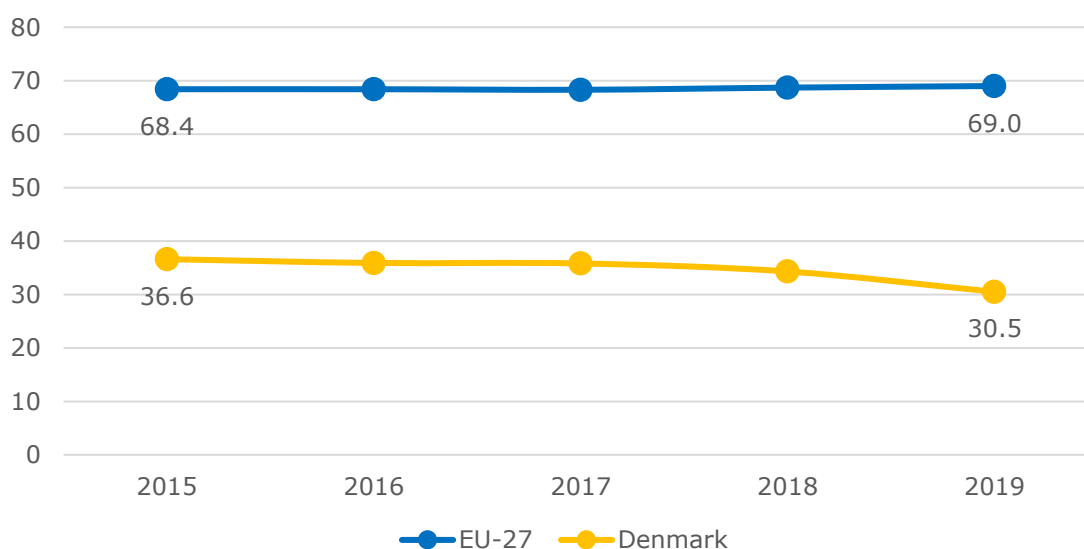


*Reading note: In 2020, in Denmark, 9.3% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.*

*Source: Eurostat, LFS - indicator [edat\_ifse\_14]. Data downloaded on 24 May 2021.*

## 1.6 Young people (aged 16–29) living with their parents

**Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and Denmark, %)**



*Reading note: In 2019, in Denmark, 30.5% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.*

*Source: EU-SILC - indicator [ilc\_lvps08]. Data downloaded on 24 May 2021.*

## 2 ACCESS TO UNEMPLOYMENT BENEFITS

Denmark has a voluntary unemployment insurance scheme following the Ghent model (i.e. the state finances the marginal costs of unemployment). Since unemployment insurance is voluntary, it is important that young people have incentives and possibilities to take up insurance. As described in Section 2.1 below, this means that it is free of charge for young people in education to become members of an unemployment scheme.

In addition, there is a special scheme of unemployment insurance for people who are self-employed, freelancers or paid by fees. As described in Section 2.2 below, the scheme follows the main principles of the general scheme but gives people in many of the new types of work social protection in case of unemployment.

### 2.1 Unemployment insurance for wage-earners

#### 2.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the regular unemployment insurance scheme in Denmark, as far as young people are concerned, are the following.

##### a) Age

People have to be between age 18 and two years below the pensionable age in the public pension scheme to become a member of an unemployment insurance fund.

However, people who have pursued an occupational education of at least 18 months are exempt from the lower age limit.

##### b) Activity status requirement

Most activity statuses give access to unemployment insurance, provided people fulfil the age requirement above. Young people in employment, unemployment and in most types of education have access. Employment includes people working part time and on fixed-term contracts. Trainees and apprentices are considered as being in education and have the same rights as other students.

##### c) Contributory history required to access the scheme

There is both a membership and a work requirement to become eligible for benefits, as follows.

- Membership: People have to be members of an unemployment insurance fund for at least a year.
- Work/income requirement: People must have had an income of €32,800 within the previous three years, equivalent to €2,734 per month over 12 months. The latter is also the maximum monthly amount that can be used to determine eligibility. This means that people with a high income have to work at least 12 months within the preceding 36 months, and people with a low income will take longer. If, for example, someone earns €4,000 monthly it is only €2,734 that counts towards eligibility, and it will take 12 months for them to qualify. If, in contrast, they earn €2,500 per month, it will take them 13 months to qualify. The rule is the same for everyone irrespective of age.

##### d) Waiting period

There is no waiting period at the start of the unemployment benefit period. However, there is a one-day waiting period every fourth month. The waiting period is cancelled if claimants have had 148 hours of work within the four-month period. The rules are the same for everybody irrespective of age.

### e) Replacement rate / benefit level

Generally, the replacement rate is 90% of previous earnings up to a benefit ceiling of €2,600 per month. People in education have in most instances not had any relevant previous earnings (exceptions are trainees and apprentices) and are thus paid a benefit at a so-called graduate level of 71.5% of the maximum benefit, equal to €1,860 per month. Benefits to graduates with dependants (providers) are set at 82% of the maximum benefit, equal to €2,030 per month. In comparison, the monthly state study grant (*Statens Uddannelsesstøtte*, SU), which is an important part of students' incomes, is €850 with a supplement of €850 for single providers and €340 for providers in student couples.

The benefit level is different for some groups of young people under 25. Their benefit levels differ according to their educational status, work record, length of unemployment and whether they participate in activation measures, as follows.

- No education, with less than 3,848 hours of work (two years of work) within three years: During the first 962 hours (six months) people in this category receive the ordinary benefit, and in the remaining period 50% of the maximum benefit (€1,300 per month).
- No education, with more than 3,848 hours of work within three years: People receive the ordinary benefit; but when in activation measures for more than four weeks, they receive 50% of the maximum benefit.
- Education (including trainees and apprentices): People receive the ordinary benefit during the first 962 hours; but when in activation measures, they receive a benefit at the graduate level (71.5% or 82% of the maximum benefit, depending on provider status).

### f) Duration

The maximum benefit period is the same for everyone irrespective of age (i.e. two years plus a possible extension of two hours for each hour of work while on benefits, up to a maximum of one extra year).

#### 2.1.2 Gaps/obstacles in unemployment insurance

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

##### a) Main gaps in access for young people

The main gap in access to the general unemployment insurance scheme concerns the self-employed and people in non-standard jobs. They are covered by the special unemployment insurance scheme for self-employed people (see Section 2.2).

The extension of unemployment insurance to young people in education reduces possible coverage gaps for students who have not had time to acquire a work record in the labour market. The main coverage gap for people in education concerns educational programmes that do not provide eligibility. For example, programmes for people wanting to become a massage or acupuncture therapist are not covered. However, there are only a few such programmes, and there is no major coverage problem for young people.

##### b) Main obstacles in access for young people

The special rules about benefit levels for young people under 25 are complex and difficult to understand. The Association of Unemployment Insurance Funds (Danske A-kasser) has therefore proposed to simplify them. The proposal is that young people will have their benefit reduced after six months unless they have an education or fulfil the work requirement (Danske A-kasser, 2021).

## **2.2 Unemployment insurance for the self-employed and people in non-standard jobs**

Since 2018 there have been attempts to improve the coverage of the unemployment insurance scheme for the self-employed and people in non-standard work, to take account of the growing number of new and combined forms of employment (Kvist, 2017); but otherwise the scheme follows the principles of the regular unemployment insurance scheme, itself reformed in 2017 (Kvist, 2015).

### **2.2.1 Eligibility conditions and benefit entitlements**

#### **a) Age**

People have to be between age 18 and two years below the pensionable age in the public pension scheme to become member of an unemployment insurance scheme for self-employed people.

#### **b) Activity status requirement**

Almost all unemployment insurance schemes operate on the basis of certain categories of activity statuses giving access to coverage. Hence, they operate with distinctions between wage-earners, self-employed people, freelancers etc. This causes coverage problems for people with multiple activity statuses (e.g. wage-earners who are also self-employed). The Danish scheme overcomes these complications by redefining unemployment in relation to activities rather than to a set of categories. Accordingly, self-employed activities require people to be involved in activities with a company that generates taxable income. Wage-earner activities provide income from work as defined by tax regulations.

Young people have access in the same way as other age groups. Hence, young self-employed people are covered and so are young people with combinations of income as wage-earners and self-employed people, free-lancers etc. In short, coverage is provided for both self-employed and non-standard workers, and for people having combinations of these as well as income from work as wage-earners.

#### **c) Contributory history required to access the scheme**

Eligibility rules under the scheme are based on total work-related income, which includes: earnings from salaried employment and self-employment; profits from company ownership; and secondary activities. This total income must equal at least one year of work within three years. Eligible amounts are calculated monthly with a maximum set in the ordinary scheme (see above). These are general rules and there are no specific rules related to age.

#### **d) Waiting period**

There is a waiting period of three weeks in the case of closure and one week in case of bankruptcy, irrespective of the age of the claimant.

#### **e) Replacement rate / benefit level**

The benefit is calculated in the same way as for wage-earners, and there are no age differentials.

#### **f) Duration**

The scheme follows the same rules as the scheme for wage-earners and there are no age-specific rules.

### **2.2.2 Gaps/obstacles in unemployment insurance**

There are no particular gaps or obstacles related to young people's access to unemployment insurance.

## 2.3 Overall gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

### a) Main gaps in access for young people

There are no age-specific gaps in coverage.

### b) Main obstacles in access for young people

There are no age-specific obstacles to young people being covered by the unemployment insurance schemes for either wage-earners or the self-employed and people in non-standard jobs.

## 3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

The Danish healthcare system is universal, whereas the rules on sickness benefits are slightly different as between wage-earners, unemployed people, self-employed people and people who have recently finished their education. However, as described below, none of the rules relates to age.

### 3.1 Sickness benefits

The sickness benefits scheme compensates people (partly) when they lose their income due to illness.

#### 3.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements for young people that apply to the scheme in Denmark are the following.

#### a) Age

There are no age-specific requirements in the sickness benefits scheme.

#### b) Activity status requirement

To become eligible for sickness benefits a person must be unable to work due to their own illness. There are no age-specific requirements. This is the case for sickness benefits to wage-earners, unemployed people, self-employed people, (paid) trainees and people who have recently finished an education. To become eligible for sickness benefits as a new graduate, attachment to the labour market is defined as having pursued an occupational education of at least 18 months, completed within the last month prior to illness.

#### c) Contributory history required to access the scheme

There are no age-specific requirements.

#### d) Waiting period

There is no waiting period for wage-earners, unemployed people and recent graduates. For self-employed people, there is a two-week waiting period. However, it is possible to take out insurance that pays out sickness benefits from day one or day three. There are no age-specific requirements.

#### e) Replacement rate / benefit level

Sickness benefits amount to a weekly maximum of €600. There are no age-specific requirements.

#### f) Duration

The normal maximum duration is 22 weeks within nine months. It is possible to get an extension of the benefit period under certain circumstances. There are no age-related circumstances related to the duration of the benefit period.

### 3.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

#### a) Main gaps in access for young people

There are no gaps in access for young people. People in apprenticeships do not have access to sickness benefits, but remain entitled to their wage during periods of illness. Similarly, students receiving the SU remain entitled to this benefit during periods of illness. Since these two groups have no drop in income during illness, they are not adversely affected by their lack of access to sickness benefits.

#### b) Main obstacles in access for young people

There are no obstacles to access for young people.

## 3.2 Healthcare benefits

The first article of the Danish healthcare law stipulates that everyone has equal access to healthcare. The universal healthcare system does not distinguish between people according to their socio-economic status, such as age. The system is mainly financed through general taxation. Hence, the system does not distinguish between people according to their contribution or labour market record.

### 3.2.1 Eligibility conditions and benefit entitlement

#### a) Age

There are no age-specific requirements.

#### b) Contributory history required to access the scheme

There are no age-specific requirements.

#### c) Waiting period

There are no age-specific requirements.

#### d) Activity status requirement

The universal, tax-financed healthcare system provides benefits to everyone irrespective of their activity status. Also, there are no age-specific requirements.

#### e) Replacement rate / benefit level

The healthcare scheme does not provide cash benefits and there are no age-specific requirements concerning quality standards etc. of benefits in kind.

#### f) Duration

There are no age-specific criteria concerning the duration of healthcare benefits.

### 3.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

#### a) Main gaps in access for young people

There are no gaps in access for young people.

#### b) Main obstacles in access for young people

There are no obstacles to access for young people.



## 4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

In Denmark, maternity, paternity and parental cash benefits are available irrespective of age.

### 4.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements for young people that apply to these schemes in Denmark are the following.

#### a) Age

There are no age-specific requirements.

#### b) Activity status requirement

Wage-earners, unemployed people, self-employed people, trainees, apprentices, students and recent graduates are eligible to receive maternity and paternity benefits. Students must have a certain amount of hours of work to qualify. If they do not qualify, they will probably be eligible for extra SUs. People who are on GMI (*kontanthjælpsystemet*) schemes are not eligible for benefits from these schemes, but can continue to receive GMI benefits in the case of maternity and paternity. There are no age-specific requirements.

#### c) Contributory history required to access the scheme

There are no age-specific requirements. Recent graduates must have finished their education within one month before the maternity and paternity period starts.

#### d) Waiting period

There are no waiting periods.

#### e) Replacement rate / benefit level

The maximum weekly benefit amounts to €600 (equal to €16 per hour). People with an hourly wage below €16 will receive their normal wage up to 37 hours per week. Unemployed people will get the same in maternity and paternity benefit as they got in unemployment benefit. If unemployed people were not insured, they will continue to receive social assistance. Graduates are entitled to a weekly maximum of €490 in maternity and paternity pay. There are no age-specific requirements.

#### f) Duration

There are no age-specific requirements related to the duration of the benefit period. A pregnant woman is entitled to maternity benefits from four weeks prior to expected delivery to 14 weeks after delivery. The father (or joint mother) is entitled to two weeks of paternity pay. The parents are entitled to 32 weeks of paid parental leave 14 weeks after delivery.

### 4.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

#### a) Main gaps in access for young people

There are no gaps in access for young people based on age requirements. The only two groups without coverage are people receiving social assistance and students receiving SUs. Young people are over-represented in these two groups. GMI recipients remain entitled to benefits during pregnancy and the early life of the child. They receive a higher benefit level after the 12<sup>th</sup> week of pregnancy and may qualify for a pregnancy supplement too. In general, GMI benefits are higher for people with dependent children. Students with no supplementary work, and thus access to maternity benefit, can get extra SUs.

## **b) Main obstacles in access for young people**

There are no main obstacles to access for young people.

## **5 GUARANTEED MINIMUM INCOME SCHEMES**

The Danish system of GMI consists of three benefits: social assistance (*kontanthjælp*), educational help (*uddannelseshjælp*) and the integration benefit (*Selvforsørgelses- og hjemrejseydelse samt overgangsydelse aka integrationsydelse*). Young people may receive any of these benefits. The integration benefit is for people new to the country and does not have any age requirements. In contrast, both the social assistance and educational help schemes operate with age requirements. Social assistance is the general GMI programme and educational help is a scheme specifically targeted at young people without an education.

Young people under 30 with an occupational education may be eligible for social assistance if they have lived in Denmark for nine out of the previous 10 years and were employed for at least 2½ years. If they do not have an occupational education, they may be eligible for educational help. If they do not meet the residence and work requirements they may qualify for the integration benefit. It is not possible to be eligible for more than one scheme.

In total there are 30 categories of young people according to benefit, education, age, assessment of work and educational ability, household situation, family and civil status, health and pregnancy status. Depending on a number of factors young people are eligible to one of eight benefit levels.

To be eligible for any of the three GMI benefits, people must have experienced an event which means they are unable to take care of themselves and do not have other means of support, such as income from work, wealth or another social security benefit. If any of these conditions is not met, people will be ineligible for benefits.

In addition, benefits are conditional on the claimant being available to take up work/education, and to participate in activation measures and related meetings. Failure to do so may lead to sanctions and full or partial loss of benefit.

### **5.1 Social assistance (*kontanthjælp*, standard scheme)**

#### **5.1.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in Denmark as far as young people are concerned are the following.

##### **a) Age**

The social assistance scheme is for people over 30, and for people under 30 with an occupational education.

##### **b) Activity status requirement**

Claimants must be without a job. Students are not eligible for social assistance but in general receive the SU. Trainees and apprentices are not eligible for social assistance but in general receive wages.

##### **c) Other eligibility conditions**

There are conditions related to residence and work, which also apply to young people. People who do not meet these criteria are eligible for the integration benefit.

##### **d) Benefit level**

The size of the social assistance benefit depends on whether people have reached 30, are living in their own home or at their parents' home, provide for children, receive a supplement for pregnancy or activity (see Section 5.1.2.b), or receive a special supplement

due to pregnancy, activities or certain types of mental illness. For people under 30, benefits are paid out at six levels ranging from €490 per month for people living at their parents' home to €2,090 for people who are providers with a pregnancy or activity supplement. For people over 30 the benefit is €2,090 for providers and €1,575 for others.

### **e) Distinctions between different groups of young people**

There are distinctions between different groups of young people according to their age, education, civil status, and living situation (living or not living with their parents). These distinctions are used to establish both eligibility and entitlements. Young people under 30 without education are referred to the GMI scheme, and to educational help targeted at young people. For the remainder, the distinctions are used to differentiate benefits, as described above.

### **5.1.2 Gaps/obstacles in access for young people**

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

#### **a) Main gaps in access for young people**

Young people in Denmark have, in principle, the same access to GMI as other age groups. However, the level of benefits is generally not as high as for other groups. The rationale for giving young people lower benefits than others is to give them incentives to take up, especially, education and work. Tellingly, young people who have pursued an occupational education receive the same level of benefits as other age groups.

#### **b) Main obstacles in access for young people**

The level of benefits for young people depends on a number of factors that are not taken into account for other age groups. Paradoxically, as pointed out by the Commission on the Minimum Income Benefit System, some of the factors that are designed to improve the situation for groups of young people may work against their interests (Ydelseskommissionen, 2021). For example, young people on social assistance who are assessed as being unable to take up a job, educational programme or activation offer are granted social assistance with an activity supplement (*aktivitetstillæg*), which is at the same level as for people in other age groups and almost twice as generous as the main alternative benefit, educational help. However, if their functional capacities improve, they will be assessed as being able to take up an activity offer or start an education programme, in both cases resulting in almost a halving of the benefit level. As a result, these young people have a strong economic disincentive to improve their situation and, unsurprisingly, there are a number of long-term claimants of social assistance with an activity supplement.

The residence requirement of nine years within 10 years, and the work requirement of 2½ years, disproportionately discriminate against young people who (due to their age) have had less time to fulfil these requirements than older people. However, the rules are not exclusive to young people. People who fail to qualify for social assistance will have access to another GMI scheme, the integration benefit.

## **5.2 Educational help (*uddannelseshjælp*, scheme particularly targeted at young people)**

The education help scheme is not for people in education, but rather a GMI scheme for people under 30 without an education.

### **5.2.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in Denmark as far as young people are concerned are the following.

#### **a) Age**

Educational help is for young people aged 18-29 without an occupational education.

**b) Activity status requirement**

Claimants have to be without a job. Students in education, including trainees and apprentices, do not qualify but are likely to be eligible for student grants or wages.

**c) Other eligibility conditions**

There are conditions related to residence and work, but these are not different for young people. People who do not meet these conditions are eligible for the integration benefit.

**d) Benefit level**

In general, the benefit levels in the educational help scheme relate to the levels in the general study stipend scheme (*Statens Uddannelsesstøtte, SU*), in order to give young people economic incentives to start education. The exact benefit level depends on age (whether people have reached 25), living circumstances (whether living with parents), civil status, and eligibility for pregnancy or activity supplements. As a result, there are 16 different categories of educational help, with eight levels of benefits. Monthly benefits range from €370 to people living with their parents to €2,090 to people with dependent children and who either have a pregnancy or activity supplement or who are mentally ill with certain diagnoses.

**e) Distinctions between different groups of young people**

The distinctions made between different groups of young people concern their age, education, civil status, living circumstances, pregnancy status and eligibility for pregnancy or activity supplement. These distinctions are used to set the benefit level.

**5.2.2 Gaps/obstacles in access for young people**

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

**a) Main gaps in access for young people**

Young people have access to social assistance to the same extent as other age groups, but their benefit levels are lower in general (as explained in d) and e) above).

**b) Main obstacles in access for young people**

There are no main obstacles to access to educational help for young people. The residence requirement of nine years within 10 years, and the work requirement of 2½ years, disproportionately discriminate against young people who (due to their age) have had less time to fulfil these requirements than older people. However, the rules are not exclusive to young people. People who fail to qualify for educational help will have access to another GMI scheme, the integration benefit.

**6 HOUSING BENEFITS**

The housing benefit scheme (*Boligstøtte*) applies to everyone living in rented accommodation with their own kitchen.

**6.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in Denmark as far as young people are concerned are the following.

**a) Age**

There are no age requirements in the housing benefit scheme. Hence, the scheme applies to the 15-29 age group as long as they live in rented accommodation with their own kitchen.

**b) Activity status requirement**

There is no requirement in the scheme related to activity status.

**c) Other eligibility conditions**

There are no age-specific eligibility conditions in the housing benefit scheme.

**d) Benefit level**

There is a special rule in the housing benefit scheme that favours young people. In general, the benefit is calculated as the difference between a part of housing costs and a part of household income. In the case of more than one child, the household income used is increased, resulting in a higher housing benefit. The special rule gives young people under 30 an increased household income as soon as their first child is born. This benefits young people on low incomes, such as young people on a GMI scheme or SU.

**e) Distinctions between different groups of young people**

There are no distinctions between different groups of young people.

**6.2 Gaps/obstacles in access for young people**

The main gaps and obstacles in access for young people identified for this scheme in Denmark are the following.

**a) Main gaps in access for young people**

The housing benefit scheme does not discriminate in favour of young people, with the sole exception of young people under 30 with one child and low income, who are favoured as described above.

**b) Main obstacles in access for young people**

Although there are no formal problems in accessing housing support, there are some administrative burdens involved in the application process. Learning costs involve obtaining knowledge about the system. Compliance costs involve time to get documents in order (copies of bank accounts, rental agreements etc.). Psychological costs may involve the uncertainty that arises when young people get jobs and, due to higher income, may be requested to pay back part of the housing support. In fact, it can take several months between getting a wage from a job until the recalculation and claim for repayment of benefit is completed. The process is uncertain and confusing for most claimants. One change in income typically results in three letters from different authorities, with only the last letter containing the final decision. If people have income from several jobs over a period of time, this results in even more letters. As a result, many abstain from applying for housing support in the first place; and this problem of non-take-up is probably greater among young people than other age groups, due to their more precarious connexion with the labour and housing markets, although this has not been studied yet.

**7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS****7.1 Reforms implemented since 2015**

Reforms of the unemployment insurance schemes for wage-earners and for the self-employed and people in non-standard jobs were implemented in, respectively, 2017 and 2018. The latter in particular may have improved the access of young people to social protection, as it provides much better access to unemployment insurance for people who are self-employed, in non-standard jobs or combining earnings from such jobs with their income as wage-earners. Such types of work are disproportionately taken up by young people.

The restrictions related to COVID-19 have jeopardised the economic and mental well-being of young people. Online education has been in place for most of the time since March 2020.

Large-scale social gatherings, such as sporting and music events, have also been suspended for much of the period. In addition, many of the jobs young people take to finance their studies, leisure time etc. have been shut down. However, young people with stable jobs prior to the restrictions may have benefited from new wage-compensation schemes that were part of the policies responding to COVID-19. All recipients of social security and SUs received a lump sum of €135. Students receiving SUs were granted access to higher student loans. However, none of these policy responses to COVID-19 restrictions concerned existing social protection schemes. Indeed, the changes to social protection were of a general nature, as described above, and not targeted at young people in particular.

## 7.2 National debates

The Youth Panel, set up to make recommendations on measures that may help young people in the wake of COVID-19, has come up with 15 proposals (Ungdomspanelet, 2021). However, none of the proposals deals with social protection. Most of the proposals concern education, which is also reflected in national debates.

The main concern regarding young people is not their lack of social protection, but rather their dependence on social protection caused by insufficient education. In 2020, 7.4% of young people aged 15-24 (around 53,000 people) were neither in employment nor in education and training (NEET) – although the EU-27 average NEET rate was much higher, at 11.1%. (See Annex B of Synthesis Report [op. cit.]; see also Reformkommissionen, 2021.)

The GMI system is due for reform following the recommendations of the Benefit Commission, which were made public on 31 May 2021; depending on political negotiations, they may improve the system (Ydelseskommissionen, 2021). Another government commission, the Reform Commission, is to conduct similar examinations and make recommendations on the educational system at large that may also lead to fundamental reforms (Reformkommissionen, 2021).

## 7.3 Good practice and recommendations

It is important to provide young people with access to both social protection and measures that will help them get an education or work, or in other ways take greater control of their lives. The role of social protection in this regard is to be accessible, but also to provide the right incentives and measures to help young people become self-reliant.

The current systems of unemployment insurance and sickness benefit seem to ensure a good balance between benefits allowing for a normally accepted standard of life, and incentives to work. However, as explained by the Commission on the Minimum Income Benefit System in its recent report, the current GMI benefit system has a number of problems (Ydelseskommissionen, 2021). The system is very complex for young people (three GMI benefits, 30 categories of young people receiving benefits, eight benefit levels and countless rules, special rules and exemptions from rules), which makes it hard to navigate for both case workers and young people. It is quite unlikely that young people are able to detect the economic incentives to take education and work opportunities. In addition, the level of benefits young people receive differs a lot, with in-built incentives to remain unable to work, study or generally progress. As a result of its analysis, the commission suggests a radically simplified system that gives young people more uniform benefits that strike a balance between adequacy in terms of meeting their needs, and incentives to take up education, work and unemployment insurance. The proposed system also contains a bonus for young people with health problems who take steps forward in

their lives, whether this is a few hours of work, one subject in education, or a course targeting anxiety and social phobia.<sup>2</sup>

To improve the take-up of housing benefit, support measures could be taken to lower the scheme's administrative burdens (i.e. reduce its complexity and compliance demands by simplifying the system and making more use of existing up-to-date information on applicants' income, civil status etc.).

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<sup>2</sup> For the full analysis of the problems with the current system of GMI benefits and for recommendations to overcome these, see Ydelseskommissionen (2021).

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