The Process of Universalism in the Danish Welfare System


Graduate School of Economics, Keio University
Shintaro Kurachi
0. Outline

• 1. Introduction

• 2. The Process of Universalism and the Social Help Act

• 3. The Process of Forming the Social Help Act

• 4. Discussion
1. Introduction

• Denmark still has a universal welfare system (Greve, B. 2004).

• The Social Help Act (Bistandsloven) that was introduced in 1974 has been seen as the basic law of Danish welfare.

• Each municipality could set a discretionary level of service based on need’s assessments by social workers.
1. Introduction

The definition of universalism

• Rothstein (1998): the division between universalism and selectivism; the former uses needs-testing, the latter uses income-testing.

• Kildal and Kuhnle (2005): “everyone is covered as a member of a specific population category” “that represent[s] certain politically-defined need situations with more or less strict entry criteria”.
1. Introduction

• We analyze the policy formation process of the Social Help Act (Bitandsloven) by using governmental and research reports.

• It will show how the need-based decision method differed between the discretionary level of local governments and the flat level of the central government in actual processes of universalization.
2. The Process of Universalism and the Social Help Act

Process of Universalism after 1891

• Social assistance (1891), Social right (1933).
• Public Assistance Act (1961).
• Universal Pension (Folkepension) (1964)
2. The Process of Universalism and the Social Help Act

Process of Universalism after 1891

- 1970s: A series of reforms in social security and local administration were implemented. Tax Revolt in the early 1970s.
- 1980s: The discretion of local governments under the Social Help Act was partly limited.
- 2000s: The universalism of Nordic countries has been unsettled.
2. The Process of Universalism and the Social Help Act

Main principles of the Social Help Act

1. “Safety and vigorous development”: the criterion for determining needs (Social events).


3. “Unity principle”: client’s assistance in one place

⇒ Municipalities became the single point of contact for services, and municipalities were given significant discretion in determining client’s needs.
3. The Process of Forming the Social Help Act

Result of Social Reform Commission’s survey

1. A longer process for citizens to solve their social problems.

2. The clients who visited the social institutions were sent around from one window to another 2 or 3 times

3. Social workers were too formal and stuffy.
3. The Process of Forming the Social Help Act

• Eva Gredal, a Social Democrat, presented a draft of the Social Help Act on January 18th 1973.

⇒ Unifying assistance in meeting needs

• Agree: Social Democratic Party

• Disagree(Right): Heavy social spending, but none contested the act’s guiding principles

• Disagree2(Left): The lacking of funding, but none contested the act’s guiding principles
3. The Process of Forming the Social Help Act

• In the December 1973 Election: Tax Revolt and Landslide election

⇒ Social Democratic government loses and anti-tax party: Progress Party won.

• Poul Hartling (Liberal) set up a small new minority government.
3. The Process of Forming the Social Help Act

• After oil-shock, the government tried to implement a tight fiscal policy.

• The supporters of the Social Help Act decreased.
3. The Process of Forming the Social Help Act

- The Social Help Act planned to change the sharing of burdens between the state and local governments, and the specific method of calculation was changed significantly.

- The government tried to increase block grants, while the previous social minister Eva Gredal was against increasing block grants because the block grant would involve inequality for municipalities.
3. The Process of Forming the Social Help Act

• As a result of these arguments, block grant increased in 1976.

• After 1976, the reimbursement rates (specific grant rate) in the Social Help Act were integrated at 50% (decreasing), except for the cost of advice and guidance that the municipalities bore.

⇒ More discretion in local government

• The Social Help Act was supported by the Social Democratic Party and was adopted on June 13th, 1974.
3. The Process of Forming the Social Help Act

- Consultation rates rose from 12% in 1966 to 23% in 1982. Despite the number of persons affected by social events declining from 1977 to 1982, the number who visited social and health management services increased.

1. The prolongation of conditions for income loss,

2. People’s tendency to turn to social services increased as result of changing attitudes (Plovsing, J. Ed., 1985:149).
3. The Process of Forming the Social Help Act

• However, the smaller municipalities were, the more time the case workers and social commission spent on responding to individual cases.

• In 1982, Bent Rold Andersen (Social Reform Commission Survey Institution) addressed the Social Ministry, and criticized the present Social Help Act

⇒ More professional social worker. More advice and guidance.
3. The Process of Forming the Social Help Act

- As a result of social experiments from 1984 to 1985, flat and fixed benefits by household type (common needs in whole country) improved their conditions in 1987.

  (1) Too much time to calculate the needs for social workers

  (2) The abuse of social assistance

  (3) The large difference in benefit levels in each municipality (Kurachi, 2014b).
4. Discussion

(1) Needs-testing and local governments’ discretion VS Common needs across the whole country

⇒ The process of universalism in the Danish welfare system followed no single line.

⇒ The idea of universalism in Denmark causes tense relationships between the common needs of the whole country, which the central government estimates, and the various needs estimated by each municipality.
4. Discussion

(2) The principles of Social Help Act was similar to the idea of “local universalism” (V. Burau and T. Kroger, 2004) which depends on organizational arrangements in local government, particularly access to social services, social workers, and the intergovernmental relationship.
4. Discussion

Future tasks

(1) The relationship between the universalization of social policy and the tax revolt of the 1970s should be demonstrated, because the tax protests could have been caused by the expenditure problem.

(2) Citizens’ evaluation of the Social Help Act should also be analyzed.