

Institute for Economic Studies, Keio University

Keio-IES Discussion Paper Series

**The Process of Universalism in the Danish Welfare System:
The multi-tiered need's testing system in Denmark**

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28 March, 2016

DP2016-006

<http://ies.keio.ac.jp/en/publications/5660>

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Acknowledgement : This work was supported by MEXT-Supported Program for the Strategic Research Foundation at Private Universities.

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* This article has been revised from the paper titled "The Process of Universalism in the Danish Welfare System," International Conference, Changing Fortune of the Fiscal State in Industrialized Democracies at Odawara on July 31st, 2015.

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1. Introduction

This article analyzes the relationship between a needs-based decision system and universalism in the policy formation process of the Social Help Act (Bitandsloven).

In many analyses, the Nordic countries are characterized by a high degree of universalism. Denmark still has a universal welfare system, mainly because national pension and child benefits are flat-level benefits, despite universalistic national pension having been gradually eroded (Greve, B. 2004). However, the welfare system in Nordic countries is provided by local governments. These services mainly consist of benefits in kind. How should we evaluate universalism in the Danish welfare system?

In Denmark, the Social Help Act, which was introduced in 1974 and implemented in 1976, has been seen as the basic law of Danish welfare. This law integrated seven welfare laws (social assistance, child and youth assistance, mother assistance, rehabilitation, and care for pensioners and housewife replacement-home help); since all service windows were integrated, each municipality's welfare services became familiar to all residents. Under the Social Help Act, each municipality set a discretionary level of service based on assessments by social workers. Under the law, called the "framework law," the central government decided the general direction of the service, and the local governments decided its level, contents, and quality (Greve, B., 2002; Seki, 2008: 55). Eva Gredal,¹ social minister in 1973, promoted the introduction of this law by emphasizing how it met people's individual needs.

Indeed, the Social Help Act was abolished in 1998, when a new law called the Active Social Policy Act (Lov om aktiv socialpolitik) was introduced. However, the idea of the Social Help Act remained a part of the new law in the needs-based benefits and services and in the local governments' discretion (Kurachi,S. 2014). In contrast, the Social Help Act increased the burden on social workers by granting discretion on service levels to local governments, which was replaced by a fixed service level in 1987. Therefore, the Social Help Act did not affect the welfare system, and continued for a short time during rising unemployment and limited resources after the oil shock in the 1970s

¹ Eva Gredal was a parliamentary member of the Social Democrats, and was social minister in 1971-1973 and 1975-1978.

(Shimauchi, K. , 2010; Petersen, H.J., K. Petersen and N. Christiansen, eds., 2013).

Was the Social Help Act a universalistic social policy? What is universalism?

According to Green-Pedersen (1999), the general child benefits that were introduced in 1980s as flat benefits regardless of income level, put the universalistic welfare policy in Denmark on the side of cash benefits. This reform of cash benefits and their universalization enhanced the benefits given to Danish citizens (Green-Pedersen,1999; Esping-Andersen, G. ,1985). However, the definition of universalism is complex, with different dimensions and meanings (Anneli, A., 2002), and is inherent in actual institutional development in Nordic and other European countries.² G. Esping-Andersen (1990) argued that the Scandinavian welfare system is a social democratic regime, characterized by universalism and de-commodification. Similarly, R. Titmus (1974) classified three welfare system types: (1) residual, (2) industrial-achievement, and (3) institutional welfare state, the last of which is similar to a universal welfare state.

Regarding universalism and selectivism, universalism is focused on the effect of redistributive social policy. W. Korpi and J. Palme (1998) point out that the “paradox of income redistribution”—the paradoxical effect in which social policy targeting the poor—causes higher inequality than the universalistic social policy. This effect has been controversial. For example, by enlarging the analysis of Korpi and Palme (1998), L. Kenworthy, proved that the redistributive effect of universalistic social policy became weaker in 1990, and that this effect disappeared in the late 2000s because the Danish social policy had been moving toward selectivism³ (Kenworthy, L., 2011). As A. Abe (2014) pointed out, the redistributive effect depends on the absolute quantity of distribution, and therefore a small quantity may have a small redistributive effect even if it is a universalistic social policy.

According to B. Rothstein (1998), there are several dimensions of universalism. One is the

² However, the idea of and support for universalism and accrual policy are not always actually combined in Nordic countries. When asked about preferences for universalism, as opposed to targeting, almost a majority of Danish citizens seemed to support targeting. However, people usually supported universalism when asked about concrete welfare schemes. Still, an ambivalence remains between abstract principles and concrete schemes, and it should not be implied that universalism is bullet-proof against change, in spite of the broad support for universalism in practice (Andersen, G. J., 2011).

³ Also, I. Marx, et al. (2013) proved that targeted policies, such as tax credits (EITC), had the effect of reducing inequality.

division of service coverage. Another one is how benefits and services are distributed. There is an important division between universalism and selectivism; the former uses needs-testing, the latter uses income-testing. Therefore, flat cash benefits without means-testing are universal benefits: for example, child benefits without income limits.

However, ideas of universalism and selectivism do not always conflict, and selectivism does not always indicate policies targeting low income groups⁴ (Bradyand, D. and A. Bostic, 2015). Needs are not always uniform, but vary according to the needs of clients. Therefore, the different benefits corresponding to each need are consistent with the idea of universalism put forth by B. Rothstein (1998). In regard to this point, Kildal and Kuhnle (2005) argued that “conceptual polysemy may partly be due to conflation of (at least) two dimensions of the principle: membership and allocation,” and that “everyone is covered as a member of a specific population category”⁵ “that represent[s] certain politically-defined need situations with more or less strict entry criteria” (14). Thus, in the strict sense of the word, the social policy of universalism is limited in Nordic countries, and the idea of membership is ambiguous.

The definition of universalism is complex when we introduce the idea of different suppliers for state and local governments.⁶ According to S. Vabo and V. Burau (2011), universalism in local government services has not been sufficiently argued for. Universalism in local governments is “dependent on specific organizational arrangements at the local level, but in interplay with national level regulation,” while “the local impact is largest on access criteria and the organizational strength of service guarantees,” based on evidence from six municipalities (2011: 182). Trydegård, G. and M. Thorslund (2001) and Trydegård, G. and M. Thorslund (2010) pointed out that the dilemma of local autonomy and universalism exists in the case of the orderly care policy in Sweden. Rauch, D. (2008) argued that the level of universalism in orderly care policy was high in Sweden and Denmark, but

⁴ On the other hand, selectivism has tended to be defined as the antithesis of universalism (Anttonen, A., 2002; Rauch, D. 2008).

⁵ For example, “people under or beyond a certain age, sick people, and families with children etc.” (Kildal and Kuhnle, 2005: 14).

⁶ V. Burau and T. Kroger (2004) understand the different universalisms through local case studies from Finland and Britain. In Finland, as a case of “decentralized universalism,” universalism has been implemented on “a strong tradition of local self-government.” In contrast, in the U.K., “universalism has been part of a political system with a long tradition of centralism and weak local government” (98).

that Denmark's universalism has been greater than Sweden's because of the central government's strong regulation.⁷

Therefore, the definition of universalism depends not only on the distribution of allocation itself, but also the level of needs-capturing, local autonomy, and the features of services; for example, access to services, and thus the allocation as well, can, in either case, be flat or variable. In the case of social services in local governments, however, they include not only cash benefits, but also benefits in kind, and local government's is difficult to define.

This article describes how universalism in local governments was formed through the introduction of the Social Help Act, and how needs were captured in Denmark at that time. We analyze the policy formation process of the Social Help Act (Bitandsloven) using governmental and research reports. As a result of this analysis, it will be shown how the needs-based decision method differed between the discretionary level of local governments and the flat level of the central government in actual processes of universalization.

The remainder of this article is organized as follows: the next section discusses the process of universalism in the Danish welfare state since the twentieth century, and contextualizes the Social Help Act within the development of social policy in Denmark. The third section discusses the policy formation process of the Social Help Act. Finally, the fourth section discusses the conclusion and future subjects of research.

2. The Process of Universalism and the Social Help Act

2-1 Process of Universalism after 1891

This section discusses the process of universalism in the Danish welfare system since the twentieth century. In 1891, Denmark became the first country to introduce social assistance, in the form of noncontributory pension schemes (Alderdomsunderstøttelsen). This pension did not entail a

⁷ A. Anneli (2002) argued that "equal access for citizens to services" is one of the dimensions of universalism, although "it might be difficult to classify one benefit as universal and another as a residual or occupational" (78).

loss of civil rights or a revolutionary institution.

In the 1924 election, the Social Democratic Party (Socialdemokraterne) won a plurality with 36.6% of the vote. After that, the Social Democratic Party became the ruling party, and in 1933, social minister Karl Kristian Steincke⁸ declared it a social right that the state is responsible for providing minimum life benefits and services, and implemented Social Reform in 1933. In other words, government guaranteed a right to existence (Christiansen, F. N. and K. Petersen, 2001: 182ff). During the social reforms of 1933, the central government set standardized criteria for social assistance, though each municipality set individual rules and varied more in interpretation of the criteria than under the previous laws.⁹

The Danish government began enriching its welfare state after the Second World War, in the 1950s. In 1956, the government introduced a universal pension (Folkepension) for those over 67; its benefits consistently increased beginning in 1964 and peaked in 1970 (Tominaga, 2010: 57). Unemployment insurance also changed several times after World War Two. In 1946, unemployment benefits were increased to a maximum of 80% of average income for persons employed in the same field. Additionally, the ceiling level was increased, and the 80% level was calculated not according to average income but individuals' income from 1967 onward (Greve, B. 2002: 50).

With the Public Assistance Act of 1961, social assistance was no longer combined with a deprivation of political rights. Its benefits were fixed at the same basic level as the national pension (Christiansen, F.N. and K. Petersen, 2001). The level of poor relief¹⁰ and local benefits became the same (Greve, B., 2002: 48).

Denmark's social services also grew during this period. Housewife relief, providing temporary employment to housewives, was introduced in 1951. Additionally, municipalities were responsible for housewife relief and home help, which has been considered regular employment since

⁸ Karl Kristian Steincke was a social democratic politician and minister. He is known for his great work in Danish social legislation.

(danmarkshistorien.dk Aarhus Universitet, Materiale, Karl Kristian Steincke, 1880-1963, <http://danmarkshistorien.dk/leksikon-og-kilder/vis/materiale/karl-kristian-steincke-1880-1963/> , 2016/03/19)

⁹ danmarkshistorien.dk Aarhus Universitet, Materiale, Socialreformen af 1933

(<http://danmarkshistorien.dk/leksikon-og-kilder/vis/materiale/socialreformen-af-1933/> , 2016/03/19).

¹⁰ People who received poor reliefs had previously lost civil rights.

1968. Municipalities partly bore these costs, but the local tax burden for these services was criticized after the introduction of housewife relief (Kruse, M., 1951). As a result of these reforms, the government expenditures increased rapidly during that decade, leading to questions of how to optimize the utilization of social welfare funds¹¹ (Marcussen, 1980: 22).

In the 1970s, a series of reforms in social security were implemented. Based on Social Reform Commission reports, local governments and administrations were reorganized. This decentralization, implemented throughout the 1970s, reorganized the divisions and tasks of Denmark's local administrations. In 1970, municipalities (Kommune) became responsible for primary education, childcare, elder care, libraries, community sports facilities, payment of cash benefits, vocational training, and environmental policy; prefectures (Amt) became responsible for tasks such as secondary care, high schools, and regional development.

This social reform entailed changing a number of laws. A new social statute (sociale styrelseslov) came into force on July 1st, 1970. In 1972, the compulsory health insurance system¹² subsidized by government was replaced with a tax-funded health service provided by counties (Health Insurance Act; sygesikringsloven). In the next year, the Sickness Benefits Act entered into force on April 1st, 1973. On April 1st, 1976, the Social Help Act was introduced. As a result of these reforms, municipalities' social expenditures increased from 13% of GNI in 1965 to 29% in 1975.

In the 1980s, the Danish economy remained stagnant from the 1979 oil shock and the center-right government was working on a fiscal reconstruction plan. The central government therefore frequently required cuts to social policy expenditure in local governments (Kurachi, 2015). General child benefits were introduced in 1987, when income tax reform, which contained dual income taxation, was implemented. These benefits are universalistic, since the benefits level per child was flat, and no income limit had been set. In the same year, the discretion of local governments under the Social Help Act was partly limited in the wake of social experiments in 1984. The criterion for benefit levels was based on fixed and flat benefits, which the central government set in place as

¹¹ The growth rate of the average governmental expenditure was 17.9% from 1961 to 1971, while the average growth in social expenditure from 1961 to 1971 was 23.5% (*Statistik Årbog*).

¹² Although the compulsory health insurance system had been introduced in 1961, the health insurance system created the three categories of the members which were divided into the so-called "receiving" membership and "contributing membership" (Gannik, D., E. Holst, and M. Wagnern, 1976: 43ff.).

common and basic needs. Thus, the level of cash benefits became flatter through introduction of fixed benefits criteria and cash benefits in 1980s.

On the other hand, the construction of new facilities for elders has been prohibited since 1988. Based on “three principles for elders,” elder care policy transformed from institutional care to 24-hour home care by local governments (Matsuoka, Y, 2008: 54).

In the 1990s, there were serious problems in which unemployment remained high: over 10%. The main reasons included not only the economic downtown, but too tolerant unemployment benefits: the recipients of unemployment benefits could receive them practically semi-permanently.

In 1994, the active labor market policy package, “Flexicurity”—a coined term that combines “flexible” and “security”—was introduced. The benefits period was shortened from 7 years to 4 years, and job training requirements were introduced in order to promote participation in the labor market.

As part of this effort, the Social Help Act was abolished in 1998, and replaced with the Law of Active Social Policy (Lov om aktiv socialpolitik). The idea of social events remained important for social assistance, although the Social Help Act was eventually abolished (Kurachi, S., 2014).

While requirements for unemployment benefits were restricted, benefits in kind expanded throughout the 1990s. Particularly, the problem of waiting times for hospital service became serious between the 1980s and the 1990s; therefore, a free choice policy for hospital services, under which a patient could select and see a doctor at any hospital in the country, was introduced in 1993 (Suganuma, 2005: 113). In other words, the health care district has expanded in Denmark since the 1990s. This has provided the condition under which the government could provide a universalistic service in a whole country or region.

Since the 2000s, benefits in kinds have continued to increase,¹³ although the universalism of Nordic countries has been unsettled. Indeed, the economic growth rate and unemployment rate improved throughout the 1990s, while income equality between Danish natives and immigrants increased, due to the latter’s increasing numbers and high unemployment. This brought about the welfare dependence of immigrants, as well as the critics of this dependence. In 2004, Start Assistance (Starthjælp) was introduced, a benefit whose level was half that of normal social assistance in order

¹³ In 2001, the center-right government introduced a waiting time guarantee policy, under which patients can select a private hospital at zero cost if the waiting time will end.

to promote participation in the labor market.¹⁴ Most recipients of Start Assistance were immigrant citizens, the aim of the program being to promote labor market participation among immigrants. However, this institution was criticized and abolished in 2011 because the benefit levels were too low to maintain the minimum life standards determined in the analysis of social research institutions that conducted interviews with social assistance clients in the late 2000s. According to J. Kvist and B. Greve (2011), the universal welfare system transformed into a “multi-tiered welfare system,” particularly for immigrants. The welfare system in Denmark appears superficially universalistic, but due to the separation of institutions it is selectivist when it comes to immigrants.

Thus, the Social Help Act was important for the historical changes in the Danish welfare system, having been implemented as the key reform in a series of social reforms in the 1970s, and because the idea of needs-based benefits and services, as well as local governments’ discretion, remains strong in Denmark despite the law’s abolishment.

2-2 Social reform and the Social Help Act (Bistandsloven)

In this section, we describe the Social Help Act, which was introduced as part of the social reform of the 1970s, during which a series of social policy reforms occurred. The governing party, the Social Democratic Party, argued that “Social reform continues to enable real improvements and simplified management,” and that “prevention, cure and rehabilitation should be the main basis of an outreach social policy that helps the individual or family in the right direction after a difficult situation.” (Socialdemokraterne, 1971: 16).

The Social Help Act was the key law in the social reforms of the 1970s. According to historian N. Christiansen, the Social Help Act was the “highlight of the impact of the Social Democratic welfare strategy and testimony to a comprehensive ‘social democratization’ of public attitude in these years, in spite of the presence of rebel movements in both the left and the right.”¹⁵ Under the Social Help Act, the previous seven laws were integrated, municipalities became the single point of contact for services, and municipalities were given significant discretion in determining client’s needs.

¹⁴ In addition to Start Assistance, clients of social assistance who didn’t meet minimum working hours received only half the benefits of normal social assistance (300-times rule).

¹⁵ Gyldendal Den Store Danske, Den Store Danske, 1970’ernes socialreformer (<http://www.denstoredanske.dk/index.php?sideId=306563> , 2016/03/19).

This law applied certain social policy principles. The main principles were known as “safety and vigorous development,” “prevention and seek-out measures,” the “whole family principle,” the “income-loss principle,” and the “unity principle.”

Firstly, “Safety and vigorous development” meant that “people should not feel worried about different social events and should know they would be supported (according to the income loss principle)” (Greve, B., 2002: 51f.). Social events (Socialbegivened), such as loss of employment, divorce, losing one’s spouse, and disease, became the criterion for determining needs. Regarding the relationship between normal income and social events, Bent Rold Andersen analyzed preretirement income and estimated the total number of “normal days (normaldage)” (i.e., days of work) lost throughout society as a result of social events (Bengtsson, S., 1999: 53).

Secondly, regarding “prevention and seek-out measures,” the commission emphasized that “prevention in the long run could be a cheaper way to implement social policy than to pay the costs afterwards” (the first report; *Betækning n. 543*), and that “prevention should be accompanied by ‘seek-out’ activities” (the second report; *Betækning n. 664*). “Seek-out activities’ purpose was “to undertake preventive actions concerning persons and groups of persons and as far as possible ensure that treatment and rehabilitation are offered to those groups” (Greve, B., 2002: 52).

Thirdly, the “whole family principle” meant that “It was necessary to look at the whole family and see if there was something in its situation which needed to be looked at” (Greve, B., 2002:52).

Fourthly, the “income-loss principle” meant that benefits levels were based on needs. The framework for needs assessment was based on the client’s current living conditions (Estimates principle)(Seki, R., 2008: 55). Greve (2002) wrote, “On the basis of this principle, discretionary judgement was reintroduced into Danish social policy, because the local authorities were allowed to pay higher benefits if it was expected that the social ‘event’ in question would last only for a short period. A higher level of social assistance in certain cases, it was thought, would make it simpler and easier for the family or individual to help themselves after a short period” (52). Bent Rold Andersen criticized many of the award criteria, and argued for a discretionary (estimation) principle (skønspriincippet) because “it of course is always attractive to people who like to socialize with other people to get the tools that really can move clients” (Bengtsson, S., 1999: 53).

Before the Social Help Act was introduced, the criterion for decision agents varied between the individual social policies in municipalities. Table 1 shows the plural criteria and the burden of sharing between state, county, and municipality, meaning that each decision agent decided on a benefits level based on each criterion.

===== Table 1 =====

Finally, the “unity principle” (Enhedsprincippet) was a general approach to resolving clients’ social problems. Under the previous laws, municipalities were responsible for coordinating a client’s assistance in one place (one-tiered system; det enstrengede system)(Plovsing, J., 1985: 503, Greve, B., 2002: 52).

Thus, by introducing the Social Help Act, the Danish social policy changed from the idea of selective social policy to the idea of a universal social policy. This universalism meant that the same service would be provided to clients who had the same needs, and that each local government would provide various services based on various needs.

3. The Process of Forming the Social Help Act

3-1 Two reports on the Social Reform Commission

This section discusses the policy formation process and results of the Social Help Act (Bitandsloven). It took a long time before this law was finally passed in 1974. On May 29th, 1964, in order to propose a comprehensive reform plan for social policy, Parliament decided to establish a Social Reform Commission (Socialreformkommissionen) for September 11th. The establishment of this committee was advocated for by Liberals (Venstre) and Conservatives (Det Konservative Folkeparti), and submitted to the Social Democratic social minister, Kaj Bundvad.¹⁶ All parties supported the commission’s establishment (Kolstrup, S., 2012: 298).

¹⁶ Kaj Bundvad was a Parliamentary member of the Social Democratic Party from 1943 to 1971.

H.C. Seierup,¹⁷ a member of the Social Democrats, was appointed chairman of this commission due to its contact with the Institute of Social Research. Henning Friis¹⁸ was the institution's director, Bent Rold Andersen was its research leader, and Orla Jensen was its social director (Kolstrup, S., 2012: 230). The Institute of Social Research (Socialforskningsinstitut; SFI) carried out three studies, one each in security research (tryghedsundersøgelsen), appeal research (ankeundersøgelsen), and social event research (socialbegivenhedsundersøgelsen).

This commission presented two reports in 1968 and 1972. In the first report, an interview survey determined the nature of clients' social events. Particularly, the survey highlighted the applicant's "Social Event (Social Begivenhed)," whose criterion was not income standards but the needs for the social accident; for example, loss of employment, disease, pregnancy, divorce, separation, or the death of a spouse (Andersen, B., 1972: 337; Socialreformkommissionen, 1972). According to this survey, about 20% of applicants for "social events" remained the same for more than three months, and the public service was not accessible enough for nearly half of the total applicants.

Moreover, cooperation between social institutions and offices within municipalities hardly worked. Under the previous institutions in this category, the cooperation between social institutions and offices within a municipality did not involve sharing information about clients, and they took individual measures. The clients who visited the social institutions were sent from one window to another 2 or 3 times. Each institution in a municipality estimated the needs of clients separately, and the benefits level for the same need was determined differently (Marcussen, E. 1980: 23-24). Bent Rold Andersen "has summarized some causes of coordination difficulties as follows: The division of tasks between the research institutions of the authorities was hampered somewhat by the fact that the basis for the various assistant organization's privileges was highly variable" (Christiansen, T., 1975: 10).

In addition to these problems, there was the attitude of social workers. Many were too formal, stuffy, and biased. Such attitudes were conspicuous in health insurance, unemployment benefits, and

¹⁷ H.C. Seieru, Hans Cai Seierup, 1914-1980, Danish politician. He was a member of the county council in Copenhagen for Social Democratic from 1954-64, and directorate of social services from 1970-1979.

¹⁸ Henning Friis was the first director of the Institute of Social Research.

the staff of the social committee; in contrast, maternity benefits, rehabilitation centers, and family consultants did not always express these attitudes (Christiansen, T. , 1975: 12).

According to the *Danish Election Study 1973 (Danske Vælgere 1973)*, the question (N=531) asked whether people favored universal or selective service by having them select either “You should be more careful about providing assistance to people” or “Welfare benefits should be given to anyone who has a right to them.” About 86.3% (N=458) of respondents chose the former option, and about 9.0% (N=48) chose the latter, indicating that selective welfare services were widely supported in 1973¹⁹. Moreover, of those who favored selective welfare service, about 94% agreed that “politicians waste the taxpayers’ money.”

In response to these results, the proposal commission considered that “the assistance performing bodies in the social field made choices as freely as possible on support and assistance measures in a specific situation; in advanced measures clients should be involved in the deliberations.” Therefore, the commission recommended that “this principle be taken into account when developing a service, and the Social Help Act and regulations connected to this. The consequence of such a system, provisions of applicable law preventing or restricting freedom of choice, will be avoided as much as possible in an upcoming general service and social assistance act.” Moreover, the commission found that “a significant prerequisite for achieving a systematic and rational system is that the rules on public assistance gather in one law” (Socialreformkommisionens, 1972: 21f.). In regard to the sharing of the burden between state, county, and municipality, this report “stated that the committee has discussed the need for further urgent expansion of block grants from the state to the municipalities and accordingly phase out reimbursement for the cost of benefits under the Social Help Act.” (Socialministeriet, 1981:37).

Bent Rold Andersen insisted on the significance of the Social Help Act as follows:

Very much of the public opinion has never had the impression that the intentions went beyond administrative simplification to facilitate the lives of citizens (.....). This is of course important. However, the intentions go further than to perform the same work for citizens and administration in an easier way. Administrative social reform paves the way for new

¹⁹ About 4.7 % (N=25) of respondents chose ”Don’t know, it depends” option.

principles in social policy and social administration. Social legislation has so far been built on an entrenched attitude of distrust between citizens and government. The citizen's public distrust in the myriad control measures around the law has been found. The result has been, as is shown clearly in the Social Research Institute's studies of social reform, that the many thousands of people in the social administration use the vast majority of their time checking citizens. (.....) Individuals with the same needs could get in touch with many different authorities that often work without context or collaboration, often without at all to know each other.²⁰

Therefore, the Social Help Act was not mere simplification and optimization of administration, but aimed to improve citizens' trust in the government. The next section shows how the proposal of the Social Help Act was introduced through political conflict.

3-2 Social minister Eva Gredal's Proposal, the Oil Shock, and 1973 Election

Shortly after the Social Reform Commission published its second report in 1972, Eva Gredal, social minister, tried to introduce the Social Help Act. However, political distrust increased in the early 1970s, and there were obvious protests of taxes and social welfare.

In 1971, the Social Democrats formed a single-party government and faced a dilemma concerning entry to the E.C. Those favoring entry were the party allied with centrist factions rather than with the Socialist People's Party on foreign policy issues, thus losing the support of both the nation's right and left wings. Moreover, in January 1971, tax lawyer Mogen Glistrup²¹ insisted on the TV show *Focus* that he could control the nation's income-tax burden through loopholes in the tax law. He claimed that he could pay zero taxes on his company (except for his income of 1 million DKK²²). He established the Progress Party (Fremskridtspartiet) on August 22nd, 1972, and began a grassroots movement while receiving many letters of support. In the background of this movement from 1965 to 1971 were rapidly increasing tax burdens. When the withholding tax was introduced in 1971, this

²⁰ "Den Sociale bistandslov", *Politiken*, February 2nd, 1973, p. 9.

²¹ He said his ideas germinated during his year in Berkeley in 1951-52 (Willensky, H. 2002).

²² DKK is the Danish Krone which is the official currency in Denmark.

burden increased further. The burden of personal income taxation increased by 1.5-2% in all income brackets from 1970 to 1971 (*Skatter og afgifter Oversigt 1978*, Danmarks Statistik).

Moreover, there remained strong political protests against large tax deductions. In November 1973, the government decided to abolish tax deductions for homeowners. However, Erhad Jakobsen left the Social Democratic Party and started the Central Democratic Party (Centrum Demokraterne) on November 17th, 1973, in order to protest the decision to abolish this deduction. The many beneficiaries of tax privileges for homeowners were self-employed advocates of the Progress Party (Martin, I., 2008).

Against that background, Eva Gredal, a Social Democrat, presented a draft of the Social Help Act on January 18th, 1973 (Greve, B. 2002: 6f). She emphasized the importance of unifying assistance in meeting needs, regardless of the cause and the legal text of outreach, and had great confidence in preventative counseling effects and the problem-solving effect of block grant schemes for municipalities (Kolstrup, S., 2012: 226).

However, the positions of the parties conflicted throughout the 1970s because “crisis pressure made its mark on virtually every party,” and “the bourgeois parties were concerned about the heavy social spending,” “but none contested this act’s guiding principles” (Kolstrup, S., 2014: 162). Firstly, the liberal party (Venstre²³) required setting a clear limit on the government’s responsibility for individual conditions, and insisted that the government should provide basic social security and guarantee a supplementary level above the basic level through voluntary insurance (Christiansen, Terkel, 1975: 11).²⁴ However, Steve Holster (liberal party’s spokesman) “took note of the one-tier system and looked forward to its rationalization gains” (Kolstrup, S., 2014: 162).

Secondly, the Progress Party proposed not only income tax reduction, but also a scaling down or abolishment of social workers and public workers. This party strongly criticized the rapid increase of public expenditure and the bureaucratization of the public sector. They insisted on “not self-responsibility but enlarged assistance to citizens” regarding social services, but were almost against the enlargement of general social services through governmental grants. Moreover, they believed

²³ Venstre was a conservative-liberal, Center-right, and agrarian political party.

²⁴ Social Democratic was against introducing the voluntary insurance based on the basic benefits, and required the extend support for possibility of social support (Christiansen, T., 1975: 11).

public teachers, nurses, child caretakers, and social workers should be cut back and replaced with “social guards,” who would be practical businessmen, engineers, doctors etc., and who would decide on the degree of assistance at each municipality (Fremskridtspartiet, 1975; Willensky, H., 2002). With regard to the Social Help Act, the Progressive Party placed a high value not on the logic of self-responsibility and consideration, but on controlling public expenditure (Kolstrup, S., 2014: 160).

Finally, the Conservative People’s Party’s (Det Konservative Folkeparti) Hanne Reintoft²⁵ had little expectation that municipalities would perform preventive actions without reimbursement from the state. This law was also based on the illusion that when establishing an indicative ceiling without a legal guarantee for minimum assistance and proposal law, municipalities would be wretched at using their discretion (Kolstrup, S., 2012:225).

In contrast to critics from the center-right parties, leftists were concerned about the lack of funding, but none contested the act’s guiding principles (Kolstrup, S., 2014:162). The Socialist People’s Party’s (Socialistisk Folkeparti²⁶) Kurt Brauer²⁷ paid attention to both the lack of funding for preventive efforts and the large groups of social workers who had to carry out the rule without adequate training (Kolstrup, S., 2012: 225).

Before the December 1973 Election, the Social Democratic Party had 76 seats in the Danish Parliament, and was one of the ruling parties. At that time, the government was constituted by the five ruling parties: the Conservative, Liberal (Venstre), Radical, Social Democratic, and Socialist People’s parties. In the December 1973 Election, the number of seats possessed by the Social Democratic Party decreased from 76 to 46, losing 28 seats to the Progress Party (Fremskridtspartiet), which became the second largest party in the Danish Parliament. The influence of the Progress Party continued into the mid-1970s. After the December 1973 election, which was called the Landslide Election (Jordskredsvalget), the traditional political parties lost influence, and a new political party emerged. It was difficult for the Social Democratic Party to form a government with a congressional majority because of conflicts between the parties concerning the issue of E.C. entry. Though the

²⁵ Hanne Reintoft was a social worker and politician. She was the member of Parliament (Folketinget) from 1966 to 1971 and 1973 to 1976; from 1973 to 1976 she was a member of the Conservative Party’s central committee.

²⁶ Socialistisk Folkeparti was the left-wing political party.

²⁷ Kurt Brauer was a member of parliament (folketinget), for Socialistisk Folkeparti.

Progress Party gained power in 1973, it could not build an effective relationship with the other ruling parties, which did not welcome the Progress Party's support (Borre, 1974).

Poul Hartling²⁸ (Venstre) set up a small new minority government that was supported by the Progress Party, the Conservative People's Party, the Social Liberal Party, the Centre Democrats, and the Christian People's Party on December 18th, 1973. His government adopted a strategy of forming cooperative relationships with the other parties in order to pass specific laws. As detailed later, the Social Help Act passed by Hartling's government was the most important part of his social reform.

3-3 Conflict between parties regarding the fiscal burden

After the oil shock of October 1973, the Danish economy had fallen. The external payment deficit increased by 4-5% (ratio of GDP) and the actual economic growth rate drastically decreased by 1.5% from 1973 to 1979. The unemployment rate decreased from about 4% to about 1% after the late-1950s; however, this rate increased after 1974 (Danmarks Statistik, 2001:16).

The government tried to implement a tight fiscal policy, reducing the central income tax and value-added tax in order to increase disposable income and export value. Particularly, resolving the external payments deficits and stagflation was urgent business.

Contrary to the optimism before the oil shock, Bent Rold Andersen's opinion, which said that we may save on human suffering and considerable social costs if we leave abuse behind and give way to control government regulation of social assistance, became a much more difficult position when unemployment and social spending were increasing. The supporters of the Social Help Act decreased, and those remaining kept a low profile. These were only the Liberal (Venstre), Radical (Radikale), Social Democratic (Socialdemokratiet), Right Union (Retsforbundet) parties, as well as single member of the Centre Democratic (Centre Democrats) party. The Left voted against it and the rest abstained. Palle Simonsen,²⁹ Conservative People's Party (Det Konservative Folkeparti) member from 1968 to

²⁸ Poul Hartling was a Liberal member of Parliament and prime minister from December 18th, 1973 until February 13th, 1975.

²⁹ Palle Simonsen was a member of the Conservative Party (Det Konservative Folkeparti) from 1965 to 75 and 1977 to 1989, and the chairman of the social committee (Socialudvalget) from 1974 to 1975.

1975 and 1977 to 1989, argued that his party would be against this law due to the risk of it being more expensive than assumed by the government. Moreover, the Christian People's Party's³⁰ (Kristeligt Folkeparti) Inge Krogh³¹ and the Centre Democrat's Erhard Jacobsen³² pointed out that nobody had received an overview of the statutory financial consequences (Kolstrup, S., 2012: 227f.).

Thus, the main criticism of the law was that it would result in fiscal burden due to tight fiscal pressure following the oil shock. The Social Help Act was intended to alter the sharing of burdens between the state and local governments, and the specific method of calculation was changed significantly.

In Denmark, the social expenditure for local governments was covered by tax revenue, specific grants (reimbursement), and general grants. Local governments could not decide on the use of funds in specific grants, but could decide on their discretionary use of funds in general grants as well as tax revenue. The ratio of block grant and local tax revenue had increased gradually since the 1970s due to decentralization. In 1971, the local finance equalization (udligning) was introduced to relieve increasing burden of small municipality. However, equalization functioned ineffectively, nor were the functions of general grants and equalization separate at that time, due to the equalization system consisting of "expenditure needs" (80%) and a "tax base" (20%) because of the 1984 reform. The equalization of expenditure needs was funded by the central government, which meant that money was distributed to municipalities after passing through the central government (Söderström, L., 1998). If the tax base was lower than average, this municipality could get 35% of the amount of the average local tax burden multiplied by the tax base. In contrast, if the municipality had a higher than average tax base, the municipality would pay 25% of this tax base (Lundtorp, S., 2004: 10).

The process of replacing specific grants with block grants had gradually proceeded through five steps since 1970 (Pedersen, M.K., 2009: 25). This meant that the extent of discretion in local governments increased according to the increasing ratio of block grants. As the first step in 1970, the block grant was introduced when the local administration reform was implemented, although the size

³⁰ Kristelig Folkeparti (since 2003, Kristendemokraterne) was the political party which was set up on 13 April 1970. This party got the first seat in parliament in December 1973.

³¹ Inge Krogh was a member of Parliament from 1973 to 1984 for Kristeligt Folkeparti.

³² Erhard Jacobsen left Soicaldemokratiet on 6th November, 1973 and, set up Centrum Demokraterne. In the election in December 1973, this party got the 14 seats in the parliament.

of block grants was 1.5% of all local government revenue. Also, reimbursements for teachers' salaries, hospitals, and roads were decreased. As the second step in 1971, fiscal equalization was introduced. As the third step in 1973, the reimbursement of roads was abolished and the objective criteria (objective kriterier) of local needs (age, hierarchy, etc.) when the amount of general grants were estimated. As the fourth step in 1975, the reimbursement of hospital and health services was abolished, the criteria of fiscal equalization were altered, and municipalities whose tax base exceeded 125% were required to pay. At the same time, the amount of general grants increased. As the fifth step in 1976, reimbursements decreased and general grants further increased in association with the introduction of the Social Help Act and the transfer of tasks to hospitals (Lundtor, S., 2004: 10-11).

Just before introducing the Social Help Act, there was an interparty controversy in regard to the intergovernmental fiscal burden, over the reimbursement rate ratio and the change to block grants. The government tried to increase block grants, while the previous social minister Eva Gredal was against increasing block grants. Eva Gredal made the criticism that "in this way [government trying to replace reimbursement with block grants] preventive and outreach social work in municipalities will fail," and "we will maintain a government where there has to be state reimbursement" at the social committee on March 13th, 1974. It appeared from the Social Reform Commission report that "the Minister of Social Affairs committee expressed that a significant extension of a block grant scheme for Social Help Act area requires a very careful distribution" (Socialministeriet, 1981: 38). Indeed, the block grant would involve inequality for municipalities; for example, Copenhagen County would acquire extra expenditure at 200 million DKK, and the Copenhagen municipality would get it at 360 million DKK if they went over to block grants. Social Minister Jacob Sorensen claimed that it is not possible to divide support work from other administration expenditures.³³

On the other side, the local governments were against the funding system in the Social Help Act. The Local Government Association³⁴ (Kommunernes Landsforening) strongly criticized this law

³³ "Socialt virke svigtes ikke," *Politiken*, March 14th, 1974, p.12.

³⁴ Kommunernes Landsforening is the association of municipalities in Denmark. This association was set up in 1970, when local administration reform was implemented, playing a role in coordinating expenditure and revenue in the municipalities through negotiation between the state and Local Governments Association.

at the social committee at Parliament on May 28th, 1973 as follows: “The renewal which the law holds cannot be read without the two reports from the Social Reform Commission at hand. The law leads with a threat, pointing out obligations and with directions in refunding. The people above all are aware of the restriction, not the right.”³⁵ Particularly, Local Government Association was strongly dissatisfied with the training (in certain subjects) of social workers because of the heavy burden already on social workers, but the social worker association’s education committee criticized in turn that “the municipal proposal would simply mean lowering the level of social workers.”³⁶

Indeed, in the government’s first proposal for the funding system for the Social Help Act, counties were attributed a function in the reimbursement system because they operated with a reimbursement rate of 67% from county to municipality. This proposal was not adopted because of municipal protests. The Ministry of Social Affairs in the social committee at Parliament responded to the Social Help Act as follows: “The resistance from the Local Government Association against funding in which counties are involved, is built essentially on the view that such a system would result in conflicts between counties and municipalities and injures the desired cooperation in the implementation of social reform” (Soicalministeriet, 1981: 39).

In a question from the Parliamentary social committee, it was not required for the reimbursement ensured by the municipalities to receive adequate counseling, according to the social minister.

The responsibility of offering advice and guidance was imparted on the social committee and on the social and health administration.. As the Ministry of Social Affairs had mentioned, central government should provide strict rules on how municipalities should organize the administration of advice. If provisions were made for granting reimbursements from the state for local authorities’ expenditure on consultancy, it may probably be, however, in law or regulations laid down for the organization of consulting companies and criteria by which these expenses were distinguished from ordinary administrative expenses (Soicalministeriet, 1981: 39).

This means that a fiscal guarantee by the state to cover the cost of advice and guidance would cause fixed and strict criteria for municipalities, and therefore the Ministry of Social Affairs desired

³⁵ “Trusler i bistsandslov,” *Politiken*, May 29th, 1973, p.9.

³⁶ “Vi skal bare sidde og forklare folk de ingen penge kan få,” *Politiken*, April 17th, 1974, p.5.

that municipalities bear this cost in order to avoid these strict rules for municipalities.

As a result of these arguments, general grants increased in 1976, while reimbursement grants decreased at the fifth step (Lundtorp, 2004: 10-11). Before 1976, the criteria for reimbursement rates were not integrated, and the average reimbursement rate was 67%. After 1976, the reimbursement rates in the Social Help Act were integrated at 50%, except for the cost of advice and guidance that the municipalities bore. However, there was no net change in the restructuring of the total sharing of costs between municipalities, counties, and the state (Socialministeriet, 1981: 37). Table 2 shows the distribution of expenses under the Social Help Act between the state, counties, municipalities, and users. For each task carried out by the municipalities, the ratio of expenditure items between the state and the respective municipality was about 50%. Compared with Table 1, the ratio of expenditures under the Social Help Act decreased by 50%.

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Table 2
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During the reform of the grant system, the portion of general grants in local government revenue increased from 11.5% in 1975 to 16.4% in 1976, while the reimbursement grant rate decreased from 41.4% in 1975 to 36.7% in 1976. These changes in the general grant and reimbursement rates reflect municipalities' increased discretion concerning revenues.

In this way, the government managed to raise the source revenues of the Social Help Act—although the law was criticized for its lack of financial support—and the ratio of block grants and reimbursement. The Social Help Act was supported by the Social Democratic Party and the four government parties,³⁷ was adopted on June 13th, 1974 at Parliament, and came into force on April 1st, 1976.

3-4 The capture of needs under the Social Help Act and the swing back of the Social Help Act in the 1980s.

What was the effect of introducing the Social Help Act, which had many difficulties, on, for

³⁷ Gyldendal Den Store Danske, Den Store Danske, 1980'ernes socialreformer (<http://www.denstoredanske.dk/index.php?sideId=306563> , 2016/03/19).

example, conflict within parties and the economic downturn? The Institute of Social Research implemented an interview survey in 1982.³⁸ According to the results of this survey, half the population (49%) in January-April 1982 had been subjected to one or more social events. Disease was the most common social event (21%). Another frequent social event was loss of employment, which 12% of people had suffered. Income loss and increasing expenditures were experienced by 11%, and other problems came in at 15%. Half (52%) of those who had been exposed to a social event had suffered economic losses as a result. Loss of employment was the most serious event in this regard, as it often resulted in financial loss. Of those who became unemployed, 3 out of 4 suffered a financial loss. Low-income groups in particular faced frequent social events (Pruzan, V. et.al, 1984:12).

Table 3 show how social events in Denmark changed, and how the capture of needs by municipality changed in 1966 (1474 families, 2381 persons), 1977 (3409 persons), and 1982.

===== Table 3 =====

The number of people facing social events increased by 85% between 1966 and 1977, and decreased by 13% between 1977 and 1982. The number of unemployed people, amount of income loss and expenditure increase, and housing problem categories increased particularly between 1977 and 1982. The ratio of social events remained virtually unchanged; however, the number of social events decreased merely due to a decrease in social events (Pruzan, V. et.al, 1984: 23).

As Table 3 also shows, access to social service institutions changed. Of people experiencing social events, 73% had approached at least one of the social service institutions consisting of municipal social and health services, unemployment funds, employment services, trade unions, general practitioners/specialists, and hospitals, clinics, or sanatoriums. The frequency of accesses to social services was different depending on the institution and social event (Plovsing, J. Ed., 1985: 17f.).

From 1966 to 1977, there was a 106% increase in the number of people who turned to social services, while from 1977 to 1982 there was an increase of 38%. Consultation rates rose from 12% in 1966 to 23% in 1982. Despite the number of persons affected by social events declining from 1977 to

³⁸ January-April, four months, 1644 persons.

1982, the number who visited social and health management services increased. The reason for the increasing frequency of access to social services can be sought in two factors according to Plovsing, J. Ed. (1985). The increasing contact frequency was not due to an increase in the number of persons suffering income loss from social events. The first explanation may be the prolongation of conditions for income loss, and the second explanation may be that people's tendency to turn to social services increased as result of changing attitudes (Plovsing, J. Ed., 1985: 149). As above, municipalities could better capture the needs of clients under the Social Help Act.

According to Powell, M. and G. Boyne (2001), access to social services is related to how a welfare state establishes "geographical equality." In the case of the Social Help Act, improvement of access to social services means that an equal amount of actual services were not always provided, but that geographical equality in inner municipalities improved.

However, social events in the municipalities were very different due to differences in the social services responsible for social problems. Of every 100 clients receiving assistance through the Social Help Act throughout the entire country, 10.1% were recipients of cash assistance. The most congested municipality gave 9.15% cash benefits, while the least gave 5.4%. Generally, the proportion of welfare recipients was lowest in small municipalities and highest in the big cities. In the country as a whole, there were 5.1 long-term sickness cases (cases of more than 5 weeks) per 100 inhabitants. The most congested municipality had 72 cases per 100 inhabitants, while the least had 3.5. Generally, the share of long-term sickness cases was lowest in small municipalities and highest in Copenhagen (Plovsing, J. Ed., 1985: 12). Thus, the distribution of needs was different based on the size of the municipality and, therefore, the fiscal burden was also different based on these same conditions. As mentioned above, the cost of advice and guidance under the Social Help Act was born by the municipality regardless of the reimbursement rate set at 50%. This brought out the extensive burden for municipalities coping with many clients with various needs.

In addition to their extensive burden, the number of social workers who received necessary training certainly increased, but the ratio decreased (Petersen, H.J., K. Petersen and N. Christiansen, ed., 2013). Additionally, the smaller municipalities were, the more time the case workers and social commission spent on responding to individual cases. (Plovsing, J. Ed., 1985: 14). As mentioned above,

the Socialist People's Party criticized this point before introducing the Social Help Act. These problems brought about critics of the Social Help Act against the background of worsening fiscal conditions in the weak municipalities.

In 1982, Bent Rold Andersen addressed the Social Ministry, and criticized the present Social Help Act: "That the Social Ministry has not done well enough with the Social Help Act is a matter of rebellion against the traditional way of performing work. The result is that municipalities are sitting in a hole, because they are used to regal work." He called for preventive advice and guidance and the more professional social workers than outgoing ones (Petersen, H.J., K. Petersen and N. Christiansen, ed., 2013: 141f.).

Following the change in government in 1982, fiscal policy became stricter. The central-right government proposed a fiscal reconstruction called "krone-til krone," which was a combination of expenditure cuts and tax increases (pension tax, etc.). Additionally, the central government required a reduction in block grants to local governments because the local governments increased their own tax rates according to increasing expenditure, and hence the block grants given by central governments had also increased. Additionally, for the central government, local governments increasing expenditure was to be avoided (Kurachi, S., 2015). Therefore, the central government required that local governments achieve zero or minus growth in local tax rates and expenditure. In other words, the central government estimated the typical expenditure and services that met "common needs" throughout the whole country.

The central government's regulations actually consisted of 71% restricted regulations, 50% of detailed regulations and 40% of new regulations or the expansion of rules for research implemented in 1980 (Baldersheim, H. and Ståhlberg, K. (eds.), 1994). About 80% of municipalities thought the central government did not take the economic and administrative effects into consideration when they delegated some of the tasks to local governments (Boason, P., 1987: 57). Thus, even though social policy in Denmark had been decentralized by the introduction of the Social Help Act, a centralized organization and regulations still remained, and the necessary conditions for social workers were not fulfilled until the 1980s.

Due to these problems, the center-right government implemented social experiments in

which municipalities paid not discretionary benefits but flat benefits for social assistance in 14 municipalities from 1984 to 1985. As a result of these experiments, flat and fixed benefits by household type improved household conditions, and the criterion for benefits changed from an estimate principle (Skønsprincip) to a right principle (Retprincip), which meant that the level of benefits was fixed in 1987. These benefits were decided on by a reasonable cost-per-family principle through political negotiation³⁹ (Jappe, E. 1985; Plovsing, J., 2000).

The background for this reform was (1) that it had taken too much time to calculate the needs for social workers, and that recipients had suffered some loss as a result, (2) the abuse of social assistance, and (3) the large difference in benefit levels in each municipality (Kurachi, S. 2014). Thus, the Social Help Act that was introduced in 1976 could not continue for 11 years because excessive discretion by local governments brought about an excessive burden on social workers.

Through the reform of 1987, discretion in benefit levels was partly limited. The criterion of fixed benefits was based on the common and basic needs of the whole country, which the central government estimated politically based on the results of the experiments. In other words, the various needs in each municipality were replaced with common and basic needs throughout the whole country on the basic level only.

The relationship of various needs in each municipality with common and basic needs throughout the whole country is related to the “dilemma of municipality” so named by T. Kröger (1997). The “dilemma of municipality” means that the relationship of “territorial justice” and “local autonomy” is a tradeoff. The actual output of “territorial equity,” which Heald (1983) defined, requires equal levels of services throughout a whole country. Therefore, local autonomy may not be ensured when territorial equity is achieved.

In the case of the Social Help Act, although the “potential output of ‘territorial equality’” which means the condition of equity set by local governments in Heald (1983) definition,⁴⁰ was improved institutionally by increasing access to social services, the actual output of territorial equity couldn’t be ensured. Therefore, the fixed benefits of social assistance that the central government

³⁹ In Denmark, formal minimum income standards was not set traditionally. Since 2012, the Danish government set the poverty line formally, but this line doesn’t meet the minimum income standards (Kurachi, S., 2014).

⁴⁰ ‘Territorial equity’ is similar idea of ‘Geographical equity’ (Powell, M. and G. Boyne, 2001).

introduced in 1987 improved the actual output of territorial equity.

4. Discussion

This article has discussed the process of policy formation for the Social Help Act. This analysis demonstrated the following results.

First, this article was about the changes in needs-testing in social policy. Danish social policy transformed from a selective to universal policy by introducing the Social Help Act in 1976 as a means of implementing needs-testing. This meant that the procedure for deciding on benefit levels became based on needs-testing and local governments' discretion. It was possible for municipalities to capture the needs of clients through the integration and cooperation of social service offices. In this way, local governments could better capture the needs of citizens in the context of increasing unemployment, while the work burden on social workers was too heavy and hindered appropriate needs-testing. In 1987, fixed payment was introduced as a basic benefit, while discretion for the remaining benefits continued. Also, in the 1980s, the introduction of general child benefits and fixed benefits of social assistance flattened cash benefits.

Thus, the process of universalism in the Danish welfare system followed no single line, but swung back against the backdrop of the economic downturn and increasing burden on social workers since 1970s. However, limited discretion in the 1980s did not always mean that services and benefits were decreasing. The fixed benefits were introduced in order to lighten the extensive burden on the social workers who estimated clients' needs, and reflected common needs across the whole country, which the central government estimated and integrated into a fixed amount for various needs in each municipality. The idea of universalism in Denmark is embedded within historical institutional changes, and causes tense relationships between the common needs of the whole country, which the central government estimates, and the various needs estimated by each municipality.

Second, the principles of the Social Help Act were similar to "local universalism" (Vabo, S. and V. Burau, 2011), which depends on organizational arrangements in local government, particularly

access to social services, social workers, and the intergovernmental relationship. The distinction between cash benefits and kinds of benefits are probably not so crucial for local universalism in the case of the Social Help Act. However, the Social Help Act improved geographical equality institutionally by improving access to social services, while the potential output of territorial equity varied from one municipality to another. Therefore, local autonomy and the actual output of territorial equity required by the central government may be opposed over the introduction of fixed benefits in social assistance. In other words, there has been tension between the state government and local governments regarding needs-testing, territorial justice, and autonomy.

This article suggests that the relationship between universalization and big government, which has much tax revenue, is not independent, but that the change in fiscal situation has led to a change in ideas of the universalistic welfare system and how it is recognized by policymakers.

There are two remaining subjects for this research in the future. Firstly, 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. Secondly, citizens' evaluations of the Social Help Act should also be analyzed.

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Table 1. Measure, Criterion, and Decision in social policy before Social Help Act

Law	Measure	Criterion	Decision	Payment
Lov om revalidering § 3 (Cirkulære af 22/5 1967 om hjælpemidler)	rehabilitation	Paid, when the except the disproportionate expense can help or significantly reduce the consequences of existing disability. Help provided both for acquisition and the maintenance.	Rehabilitation Board, social committee, Rehabilitation Center, etc.	state 100%
Lov om revalidering § 3, samt lov om omsætningsafgift af motorkøretøjer m.v. og lov om vægtafgift af motorkøretøjer	rehabilitation	Paid to persons as a result of very severe disability cannot move without the use of the motor vehicle Used including for to pay reimbursement of registration fee for motor vehicles which is acquired for conveyance by children, even if these others conveyed to treatment or to school.	Rehabilitation Board.	state 100%
Lov om offentlig forsorg § 70	public assistant	Paid to persons outside institution – by needs.	Institution with submission to Social Agency ell. etc.	state 100%
Lov om offentlig forsorg § 47	public assistant	According to welfare law's general desire decision, support only could be provided by a medical certificate.	The municipal council (social committee).	state 75% municipality 25%
Lov om ulykkesforsikring (§ 21)	accident insurance	In order to ensure the disease care result and accidents's result, committee determines disablement degree. Paid only until the disability is defined (then possibly by rehabilitation law)	The insurance company	The insurance company. (Employers).
Lov om omsorg for invalidepensionister og folkepensionister (cirkulære af 27/2 1969)	invalid pension and national pension	The measure must significantly facilitate the ordinary daily existence for the disabled person or the pensioner. Can be paid to persons that are unable to make contact with the surrounding area because of disability. Stricter requirements for married couples than for single persons. Support must significantly facilitate the ordinary daily existence for the pensioner. Paid to make a housing suitable for a pensioner. Paid to facilitate pensioner general daily life existence in essential degree.	The municipal council (social committee).	state 75% municipality 25%
Lov om den offentlige sygeforsikring § 16	health insurance	Glasses without medical certificate (health insurance fund).	Paid – against subsequent refund – only if it is determined in Sickness Fund Regulations.	sickness fund 100%
Lov om foranstaltninger vedr. blinde og stærkt svagsynede	visually impaired regarding	Support blinds because physical or mental deficiencies in associated with their blindness is not able to cope with it.	Danish Association of the Blind consultants and social Board, possibly by recommendation of blind board.	state 100%
Lov om sygehusvæsenet	hospital service	Direction in hospital.	Hospital	state 35% county 65%
Lov om boligbyggeri a) § 60	housing service	Paid for the residential building, where all or a portion of the apartments provided for the severe disabled.	Housing Ministry according to option from housing committee.	state 100%
b) § 61	housing service	On consideration of the individual cases. Furthermore, certain income-related restrictions (such must be justified for rent subsidies).	Mortgage according to recommendation of the Housing Committees	state 100%
Undervisningsministeriets område a) folkeskolelovens § 51a	education	Paid to ensure disease and disabled children to convey to and from school.	Application through council to the regional council	county 25% municipality 75%
b) lov om styrelse af kommunernes skolevæsen (cirkul. 14/7 1967 om tilskud til befordring af gymnasiaster og studenterkursister)	education	Paid to ensure disease and disabled high school students etc.	County Council	county 100%

Source: Socialreformkommission(1972), pp.230ff.

Table 2. Overview of cost distribution in 1981: Social Help Act (price level on January 1, 1981, mill. DKK.)

	State	County	Municipality	User	Labor Market	All
Municipality						
Home help	2,150		2,100			4,250
Day care and day care center	1,250		1,250	120		2,620
Family care	2,490		3,300	1,260		7,050
Nursing home	190		190			380
Sheltered housing	2,690		3,800	1490(1)		7,980
Day center, day nursery	150		150	30		330
Help funds (2)	140		140	10		290
Guidance and outreach for administration	460		460	30		950
County			450 (5)			450
Day institution for child and youth		630	630	0		1,260
Special day care center		20	20			40
Rehabilitation institution (3)		170	170	0		340
Institution for adult with handicap (4)		540	540	0		1,080
Special nursing home (6)		80	80	0		160
Reception center	110	30		0		140
Guidance and outreach for administration		50 (5)				50
All	9,630	1,520	13,280	2,940		27,370

1) Including involving pension as the estimation constitutes about 1250 million DKK.

2) Including care work

3) Including aid central and advising institutions.

4) There are not took into consideration to resting disabled pension, which estimation will constitutes about 400 million DKK.

5) Estimated as 1/3 of personnel of social and health management with the average salary of 100,000 DKK

6) Including Kofoeds school and Møltrup community home.

Source: Socialminister(1981), p.73.

Table 3. The number/percentage of persons who have Social event/ Access to social service under Social Help Act

		Social event		Access to social service	
		the number of people	percentage of the number of people	the number of people	percentage of access
18-66 years	1966	788000	26	101000	12
	1977	1454000	46	208000	14
	1982	1262000	40	287000	23
Disease/Accident	1966	636000	21	89000	14
	1977	928000	30	112000	12
	1982	655000	21	98000	15
Unemployment	1966	63000	2	9000	15
	1977	226000	7	53000	23
	1982	396000	12	107000	27
Income decrease/Expenditure increase	1966	61000	2	3000	5
	1977	247000	8	32000	13
	1982	324000	11	69000	20
Divorce of spouse	1966	11000	0	0	0
	1977	23000	1	3000	12
	1982	30000	1	13000	44

Source: Plovsing, J. (1985)