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**THE UNIVERSAL WELFARE MODEL IN DENMARK:
THE ORIGIN, DEVELOPMENT AND THE FUTURE**

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The Scandinavian welfare model is a political economic model which, among other things, Denmark other Nordic countries, like Sweden and Norway, developed after the end of World War II. The basic principles behind this model imply that all citizens in society have access to social benefits regardless of their social background or origin, and that the benefits are not linked to insurance contributions or other forms of user payment. The model is referred to as the universal welfare model, because everyone has the right to a number of benefits, e.g. state pension and child allowance. The citizens of the Scandinavian countries are thereby financially secured in connection with illness, unemployment and in old age, to which are added supplementary measures, e.g. support for housing costs and expenses for children. In addition, there are a number of highly developed services in the form of day-care centres, health care, home care, etc. In this article we will be analysing and comment the origin, the development and the contemporary universal Scandinavian model. Furthermore we will try to get an answer to the question: will this universal welfare model survive the next three decades, and at all exist in 2060?

Keywords: welfare state, Norway, Denmark, universal welfare model, Sweden, unemployment insurance, child allowance, educational support, Scandinavian welfare model, Gini coefficient.

**МОДЕЛЬ ВСЕОБЩЕГО БЛАГОСОСТОЯНИЯ В ДАНИИ:
ПРОИСХОЖДЕНИЕ, РАЗВИТИЕ И БУДУЩЕЕ**

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Скандинавская модель социального обеспечения – это политико-экономическая модель, которую, помимо прочего, Дания и другие скандинавские страны, такие как Швеция и Норвегия, разработали после окончания Второй мировой войны. Главные принципы, лежащие в основе этой

модели, подразумевают, что все граждане имеют доступ к социальным пособиям независимо от их социального происхождения и что эти пособия не связаны со страховыми взносами или иными формами финансирования со стороны налогоплательщиков. Эту модель называют моделью всеобщего благосостояния, поскольку каждый человек имеет право на ряд льгот, например, на государственную пенсию и пособие на ребенка. Таким образом, граждане скандинавских стран финансово обеспечены в случае болезни, безработицы и в старости, к этому добавляются такие дополнительные меры, как поддержка расходов на жилье и содержание детей. Кроме того, существует ряд высокоразвитых услуг в виде обеспечения детскими садами, медицинского обслуживания, ухода на дому и т.д. В данной статье мы проанализируем и прокомментируем происхождение, развитие и современное состояние универсальной скандинавской модели. Кроме того, мы попытаемся получить ответ на вопрос: сохранится ли такая модель всеобщего благосостояния в ближайшие три десятилетия, и вообще будет ли она существовать в 2060 году?

Ключевые слова: государство всеобщего благосостояния, Норвегия, Дания, модель всеобщего благосостояния, Швеция, страхование по безработице, пособие на ребенка, поддержка образования, скандинавская модель социального обеспечения, коэффициент Джини.

Welfare

For the individual well-being means the most desirable conditions for daily welfare. *Welfare* as a concept is often used in debates as a synonym for Public Welfare Services or the Welfare Society. Welfare comes from the Old Norse “to fare well” with the meaning, that one has a good journey. Socially distributed welfare includes a wide range of benefits such as hospital services, education etc., offers citizens. A society that largely has such goods is called a welfare society. In the research debate it is also usually assumed that in a welfare society the state intervenes to a significant extent against the market’s primary distribution of goods in order to distribute the welfare more equally among the citizens. The redistribution of the

goods takes place to a greater or lesser extent through the public finances. The reasons for a redistribution of goods through the state also include ethical issues, e.g. justice and equal rights for all citizens [3, s. 15-18].

The concept of *welfare* is diverse and a clear definition is therefore difficult to make. However, there is a certain consensus among researchers that welfare includes both material and immaterial values. There are also a number of normative prerequisites for welfare, e.g. a notion of solidarity between different groups of citizens [6, s. 15].

Welfare has traditionally been interpreted in an economic framework, in the sense of “availability of economic goods”. Welfare can be seen both as an end in itself (the ideal of distributing as many goods as possible to as many citizens as possible) and as a means to achieve quality of life for as many people as possible. The starting point can either be the utility value of the distribution of goods, where the individual largely decides on his resources. Welfare services must therefore be assessed based on efficiency in the distribution of societal goods; or alternatively, the starting point can be the needs theory, which assumes that welfare is optimal when all types of human needs are satisfied as best as possible [3, s. 20-22].

The welfare state – the origin

Poverty has always been a problem that society has had to deal with. The way society has chosen to deal with the problem has varied between cultures and generations. From the earliest times, the family and the clan have represented the most important safety net for the individual, and in some cases this duty has been institutionalized through laws. In Europe the Church has also represented a security network and in Muslim areas Islam has similarly constituted the security network. The formation of states in Europe led to a transfer of this responsibility to the public sector [7, s. 38-40].

The poor service was the institution that provided social services to the poor before the development of the welfare state. If a citizen received support from the poor, he or she usually had to give up the right to vote as well as the ability to marry and change residence freely. In a number of countries, sanctions against recipients of

benefits were maintained, also after the establishment of the welfare state, and in e.g. Denmark could “self-inflicted unemployment” lead to the loss of the right to vote until 1961 [4, s. 144-147].

The welfare state arose in Germany in the 1880s and was a result of Chancellor Otto von Bismarck’s social legislation. The policy was partly a result of the state consolidating its primary power functions and thus seeking new areas for power and partly of the leaders seeking to contain growing social unrest and what was perceived as the socialist threat. The social insurance schemes were (when they were introduced) not the first of their kind, but they differed from the previous ones in that they embraced larger groups and were national. The laws were based on the principle of insurance, which meant that the insured, usually workers, were entitled to income compensation from a fund they themselves had helped build up through a working life. The basic features of the structures that were established are considered to be continued in all of the subsequent German regimes. The model is also the basis for several of the other welfare states on the European continent and thus forms the basis for the continental welfare model [9, s. 155-157].

In Great Britain and the Scandinavian countries the starting point for the welfare state was to a greater extent based on an old-age pension, which was supposed to ensure all citizens an old age without social hardship. In Denmark the radical government, based on the support of the Social Democrats, in 1920 put forward a bill on public retirement pensions, which, however, fell away when Christian X dismissed the government in connection with the Easter crisis. A less far-reaching proposal was adopted by the Danish Parliament (the Folketing) in 1921, but it was not until 1933 that the principles from the 1920 proposal were implemented in connection with social minister K.K. Steincke’s (social democrats) social reform [9, s. 552-554].

Welfare state – definition

A welfare state is a state that carries out a number of functions with the intention of promoting the welfare of the country's citizens. The goal is equal access to a number of public offers, e.g. in the field of education as well as a legal claim for

compensation for loss of income, for example due to unemployment or illness. A welfare state thus has functions that go beyond simply providing security for the country's citizens. These functions are planned in the public sector and are to some extent financed by the state. Depending on the welfare model in question, the size and target group of these benefits and distribution principles can vary. Applicable to all welfare states is that they regulate the labour market, and that their benefits include education support, as well as a number of social benefits in the event of illness, poverty or in connection with pensions. The welfare state must therefore ensure a minimum standard of living, if the citizen cannot provide for this himself. The welfare state is a counterpart to the minimal state favoured by liberal thinkers.

Most industrialized countries today are organized as welfare states, which in many ways are the result of the mobilization of the working class and its demands for greater security in life and thus improved living conditions. Politically, the welfare state is often associated with the social democratic parties, but variants of the welfare state have been used by regimes linked to most ideologies. A welfare state is in practice linked to a mixed economy, where government interference in market forces via taxes and levies makes redistribution possible, just as the infrastructure in a welfare state will be publicly financed to a greater extent compared to states that do not have welfare objectives [6, s. 24-25].

In the narrowest sense, a welfare state is a state where economic resources are redistributed through social policy. In a broader sense health services, educational provision and economic policy are also tasks of the welfare state. In the narrow sense, one will typically search for certain historical events that have triggered the welfare initiatives, while in the broader sense, one includes political objectives of full employment and economic growth, such as was the ideology behind the Marshall Aid to Europe [7, s. 44].

Asa Briggs is the originator of one of the earliest attempts at a unified definition of the concept of the welfare state, which is described as a state in which organized power is deliberately used (through politics and administration) in the effort to modify the play of market forces. This means that a welfare state

redistributes the goods in society and fulfils a number of functions, which in other types of society are handled by the market or by the family [6, s. 32].

Faced with this definition Gösta Esping-Andersen emphasized that it is not possible to explain on an overall level why states at the same stage of development develop different welfare models. The differences must be seen as a result of historical development features, especially the strength of working class organization and the willingness of working class parties to create consensus with the middle class.

In recent years research has pointed out that the two above-mentioned definitions are insufficient in relation to explaining the changes that the various welfare models have gone through. One of the theses is that there is a tendency towards convergence between the various welfare models, i.e. includes activation (workfare) to varying extents in all models. Another type of criticism emphasizes that the models focus too much on ideal-typical differences between regimes and thereby underestimate the distributional political effect of the welfare benefits.

In the broadest sense, a welfare state is thus defined by the following characteristics: 1) Citizens have basic legal certainty vis-à-vis the authorities; 2) Citizens are guaranteed some basic democratic rights; 3) Citizens in financial need receive compensation from the public sector, e.g. in case of illness or unemployment; 4) A number of services are provided by the public sector, financed by taxes or by (full or partial) user payment. The purpose of the welfare state is allegedly to ensure a minimum standard of living. However, this protection is conditional on how needs and rights are enumerated, which is why there are significant differences in who and how many are entitled to welfare benefits in different types of welfare states. Alternatively, the purpose can be determined as derived from the desire of those in power to avoid social unrest among the most disadvantaged in society.

In addition to ensuring a minimum standard of living, the welfare state can also be built on the basis of an aim to equalize the gap between rich and poor. The degree of income inequality is often calculated using the Gini coefficient. According to United Nations Development Programme (UNDP), Denmark has the 10th lowest

Gini coefficient. At the other end of the Gini scale are several African and South American countries, including Brazil and South Africa. The welfare tasks can be solved by the public institutions or private companies. Concretely, this means that a system is built, which has independent interests to some extent; this can lead to problem solutions that are not in accordance with the original purpose.

The welfare state – universalism

The idea that the state had responsibility for the social security and welfare of the population had gained ground in all European countries in the interwar period. Social insurance schemes had been introduced in the countries and expanded to include several areas of society. A major step on the road towards the modern welfare states took place in the continuation of the deep economic crisis, which followed the stock market crash in the USA in 1929. In Denmark, as part of a larger settlement in the Folketing in 1933, a political majority tried to mitigate the effects of the crisis with a social reform that gathered all laws into four legal complexes: 1) National insurance; 2) Accident insurance; 3) Unemployment insurance and 4) Public welfare. The four laws were based on legal principles, where previously there had been widespread municipal discretion when awarding needs-based benefits. This social reform is often described both as a major advance in the social field in Denmark and as the actual basis for the Danish welfare state. In 1936 a corresponding reform founded the Swedish variant of the welfare state – “the folkhemmet” [6, s. 143].

In the coming decades the Scandinavian welfare states developed a universal model, where the basic principle is that everyone has the right to a number of benefits that are not determined by need, e.g. public pension and child family allowance. Cash assistance and daily allowance also became essential elements in the model, even though these benefits are not a universal right in all Scandinavian countries. In Denmark insurance in an A-kasse (unemployment fees) is required to receive unemployment benefits. Furthermore, after 1970 the rules for access to certain benefits have both been tightened, while other types of benefits have become easier to obtain.

At the request of the British government the social economist William Beveridge in 1942 presented a plan for the expansion of the social systems in Great Britain. The Beveridge Report advocated that all British citizens, whether they were working or not, should be guaranteed income security and health and care services from the state. The scheme, which was implemented by the National Health Service Act in 1948, constitutes the first British example of a universal welfare model. Although the UK health system is based on a universal mind-set, the British state as a whole is considered to be based on the residual welfare model [6, s. 157].

The Scandinavian welfare model

The Scandinavian welfare model is a political model, which, among other things, Denmark and the other Nordic countries developed after the end of World War II. The basic principles behind this model imply that all citizens in society have access to social benefits regardless of their social background or origin, and that the benefits are not linked to insurance contributions or other forms of user payment. The model is also referred to as the universal welfare model, because everyone has the right to a number of benefits that are not determined by need, e.g. state pension and child family allowance. The citizens of the Scandinavian countries are thereby financially secured in connection with illness, unemployment and in old age, to which are added supplementary measures, e.g. support for housing costs and expenses for children. In addition, there are a number of highly developed services in the form of day-care centres, health care, home care, etc. [10, s. 666-667].

Cash assistance and unemployment benefits are essential elements of the model, even if these benefits are not a universal right in all Scandinavian countries, e.g. In Denmark, insurance in an A-kasse is required to receive unemployment benefits. Furthermore, after 1970 the rules for access to certain benefits have both been tightened, e.g. the reduction in Denmark of the unemployment benefit period from 4 years to 2 years in 2009, while other types of benefits have become easier to obtain. Another distinctive characteristic of the Scandinavian welfare model is that high economic growth and prosperity are combined with a relatively equal distribution of incomes. An important instrument in this connection is taxes and

levies, because the model is primarily financed by tax printing. The legitimacy behind the model is the solidarity support that results from 80% of the population paying 80% of the taxation, which through the distribution policy is returned to 80% of the population. The sustainability of the model therefore also depends to a large extent on whether it is able to maintain a high level of employment; one of the means to achieve this goal has, especially in the last 20 years, been an active labour market policy [6, s. 67-68].

In practice, the Scandinavian countries develop new variations of the model through political compromises, which must therefore be understood as an ideal type. The differences between the variants of the Scandinavian model are mainly conditioned by which political alliances the working class has entered into. In Denmark, it requires e.g. a contribution must be paid if you want to be entitled to early retirement, just as this right is limited under the withdrawal reform [7, s. 400-404].

The welfare state in Denmark

The welfare state in Denmark is a concrete embodiment of the type of welfare model that was mainly developed in Europe in the 20th century. This type of state performs a number of functions that go beyond simply providing security for the country's citizens. The particular Danish implementation is also referred together with the corresponding welfare states in Scandinavia, as the Scandinavian welfare model. An overarching objective is equal access to a number of public offers, e.g. in the field of education, as well as a legal claim for compensation for loss of income, for example in the event of unemployment or illness. Since all citizens have legal claims to a number of public services and benefits, the Scandinavian model is also referred to as the universal welfare state [1, s. 28-30].

The debate about this model also includes the fact that some of the model's features have different effects in the Scandinavian countries. In the case of Denmark it is emphasized that for more than 100 years the country has had one of the world's most open economies and developed a political system which, due to the electoral method, forces the parties to establish broad cooperation in the Folketing. In

Denmark political compromises between the leading parties in the Folketing (especially since the Kanslergade settlement in 1933) have therefore been the building blocks of the welfare state [6, s. 33-35, 47-49].

Characteristic of the Danish variant of the Scandinavian welfare model is also that the welfare benefits are awarded to all citizens who meet some general criteria without taking into account other personal circumstances. According to Peter Lodberg this way of awarding benefits is a testimony to a Christian influence on the Scandinavian welfare model. He believes that in the Lutheran way of thinking lies that you do not need to give anything to be respected as a person who has the right to help. The majority of welfare benefits in Denmark are financed by taxes and levies. A significant part of public expenditure is made up of wages for employees and transfer income. A number of services are free for the individual citizen, i.e. within education, culture and health, both primary health care (medical care) and the hospital system. Public subsidies are also provided for certain forms of user payment [3, s. 63-65].

Most tasks are solved by institutions in the public sector, which are divided into the state, the regions and the municipalities. The extent of the services and level of service means that in Denmark there are more public employees per capita than in most other welfare states. The level of expenditure combined with a large degree of tax financing has resulted in a tax burden, which in 2018 is expected to amount to 44,9% of gross domestic product (GDP). The tax revenue is therefore higher than in the countries with which Denmark is usually compared, and since the majority is collected through income taxes, experts have debated whether the welfare state affects the labour supply negatively, both as a result of the social benefits given to people without employment, and as a result of the necessary tax funding. The sustainability of the model is therefore often analysed based on its ability to maintain high employment and at the same time develop a flexible labour market. Since the 1990s, active labour market policy has therefore been an important welfare regulatory instrument. Some researchers describe this development as a change of direction in the welfare state, while others perceive it as a break with the original characteristics of the Scandinavian welfare model [6, s. 425-426].

The financing of the Danish welfare state

Developments in the Danish welfare state can be quantitatively described using data on the public sector's income and expenditure; an explanation of the relative importance of the public sector will typically be based on its income and expenditure as a percentage of GDP. The income illustrates how the welfare state is financed, while the expenditure illustrates how the public goods are distributed among areas of application. According to Keynesian economic theory, in periods of rising unemployment, the state should pump money into the private sector by conducting expansionary fiscal policy. Conversely, the government should limit the population's consumption options when unemployment is low and inflation is rising (i.e. conduct a contractionary fiscal policy) [11, s. 741].

This theory, which is supported by the Phillips curve, has been a decisive argument for the development of the public sector in Denmark. Monetarist theory objects to this argument that an excessive use of fiscal policy instruments only works in the short term, while in the long term it creates inflation. Despite disagreement about how active the state should be in the management of economic activity, there is a certain agreement across economic and political theories that a state with a public sector of the size of the Danish welfare state has to lead an active economic policy. The welfare state in Denmark is mainly financed by taxes and levies. Income taxes are distributed between the state and the municipalities, while the regions, unlike their predecessors, the county municipalities, do not have the authority to levy taxes. The fees accrue to the state. A value-added tax (VAT) is the most profitable, but poison taxes and environmental taxes also contribute to the state treasury [2, s. 30-33].

Block grants and other compensatory schemes complicate the picture of how the public revenues are distributed between the sub-sectors. An introduction to the subject has been prepared by Statistics Denmark, just as the Ministry of Taxation has published an overview of the distribution key [12, s. 917].

The tax burden in Denmark is estimated by the Ministry of Taxation to be 44,9% of GDP in 2018. Denmark traditionally has one of the highest tax burdens in

the world. However, several analyses have pointed out that the figures from OECD member countries are not comparable because the calculation methods are different. In some countries, the transfer income that is taxable in Denmark is fully or partially tax-free. An analysis carried out by the OECD shows that the average tax on earned income is lower in Denmark than the average in the EU, when the tax is calculated as the difference between the employer's wage cost and the worker's salary. Especially in Germany and Sweden, with which Denmark is often compared, employers' mandatory social costs, which do not exist in Denmark, are relatively high. Sweden has both higher marginal tax and average tax on earned income than Denmark. Professors Torben M. Andersen and Svend Erik Hougaard Jensen have agreed with the OECD's conclusions, but both added that overall taxes are higher in Denmark, which explains the high overall nominal tax burden [2, s. 39-42].

The public expenditure used, among other things for the operation of the public institutions, including salaries for the employees and for various transfer incomes and service offers to the citizens. Pensions and cash assistance are universal benefits, while unemployment benefit is conditional on membership of an A-kasse. A number of social services are free for the individual citizen, i.e. within education, culture and health, both primary health care (medical care) and the hospital system. In addition, public subsidies are provided for the user fee for childcare in day-care centres, for dental care and medicine consumption. Some of these benefits are dependent on the recipient's income. The development in expenditure for the various purposes is continuously recorded by Statistics Denmark, which divides the recipients into "children and young people", "adults" and "elderly" [13, s. 682].

The institutions under the public sector are different, both in terms of purpose and function. The healthcare sector's institutions, especially hospitals, have relatively well-defined tasks and services, but a varying user group that is visited briefly, while schools and other educational institutions have a well-defined user group, but relatively vaguely defined tasks. In the former case, it may be difficult to establish well-functioning user councils or boards, in the latter, user influence can be formally secured through school boards and student councils. The quality of the institutions'

offers to citizens has previously been sought to be ensured through central control measures; after the quality reform, it is increasingly through surveys of citizens' satisfaction with the offers that the institutions are evaluated [14, s. 1103-1105].

Strengths and weaknesses in the universal welfare model (1950-2023)

The concept of welfare is diverse, and a clear definition is therefore difficult to make. However, there is a certain consensus among researchers that welfare includes both material and immaterial values. Another way of expressing this relationship is the use of the concept of prosperity for the material side of well-being. In this research tradition demands are therefore made for some intangible goods, which must be available to the population, in order for prosperity to develop welfare. There are also a number of normative prerequisites for welfare, e.g. a notion of solidarity between different groups of citizens [5, s. 23-25].

The Danish researcher Gösta Esping-Andersen is among the most recognized experts in welfare models. He uses the term model for the ideal-typical features and regime for the concrete realization of these features. Welfare research has also been inspired by John Kenneth Galbraith, i.e. of his thesis that welfare requires a society in economic balance, the absence of poverty and the right to breathe fresh air. In 2013 then Social Affairs Minister Karen Hækkerup established an official poverty line, according to which poverty must henceforth be measured by whether a person has had a disposable income of less than 50% of the median income for three consecutive years. In 2015 the later social minister Karen Ellemann again abolished this official poverty limit [4, s. 18-22].

Asa Briggs is the originator of one of the earliest attempts at a unified definition of the concept of the welfare state, which is described as “a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces”. This means that a welfare state redistributes the goods in society and fulfils a number of functions, which in other types of society are handled by the market or by the family. Part of the welfare literature assumes that all rich societies with a high degree of welfare are *welfare states*, while other researchers condition that the state, through public sector services, intervenes in the market

mechanism and ensures a more equal distribution of goods, so that they can be defined as a welfare state. There is thus professional disagreement as to whether all welfare societies can be considered welfare states; the characteristics of the Danish state, however, meet the criteria in both basic types among the research opinions [4, s. 288-293].

Several research projects have pointed out that the legitimacy behind the Danish welfare state depends on whether the citizens accept the relatively high tax burden, which is a prerequisite for the financing of the benefits. A number of opinion polls, i.e. carried out by Gallup and the Ugebrevet Mandag Morgen has shown that there is great support among voters for the Danish welfare state in this perspective, but at the same time it is emphasized that this support is dependent on concrete political initiatives. In particular, it is noteworthy that throughout the period 1991-2007 there has been a predominantly positive attitude towards the tax burden, but also that the support varies with the population's satisfaction with the quality of health and education services. Another aspect of the legitimacy debate has been various cases of misuse or fraud with public funds. This has included, among other things, VAT fraud and fraud against the National Board of Health and Welfare. Researchers have pointed out that the willingness to pay taxes decreases if trust in the systems decreases. The political criticism of the development in the Danish welfare state is diverse; a possible way to divide the critics is by distinguishing between the ideologically conditioned and the concretely designed [15, s. 88-90].

Neoliberalists have argued that resources are used inefficiently when it is the state that has to take care of welfare services. In this way free market forces cannot function effectively, and the invisible hand, first mentioned by Adam Smith, cannot therefore exert its effect. The critics also make use of moral arguments, as no one should be forced to pay for the consumption of certain services by others, which one may never need himself. In the worst case, the welfare state develops into a clientelization state. The liberal Anglo-Saxon tradition uses the terms "Nanny-state" and "Nursery-state" as a critical term for this type of welfare state. Therefore, according to this view, a minimal state is best able to meet the needs of the citizens.

In his book “From welfare state to minimal state” former Danish prime minister Anders Fogh Rasmussen endorsed the minimal state model, but since he announced the contract policy in connection with the general election in 2001, the Liberal Party has expressed support for the welfare state, e.g. in the election proposals for the general election in 2011 [4, s. 302].

The conservative ideological argument against the universal welfare state presupposes that a comprehensive welfare state takes over many of the functions that were previously carried out by civil society. Therefore, the individual person’s responsibility for their closest relatives is shifted to public authorities. From a functionalist perspective, the changed functions of the family are a consequence of women's increased employment rate. Against this background, it is relevant to ask the question whether the role of families and civil society in societal development in the broadest sense is subordinated to the state. The German sociologist Jürgen Habermas contributes from a radical democratic starting point to this discussion with his colonization thesis. It assumes that the system, which is characterized by purpose-rational actions, conquers the life world, including the family’s original functions, which are based on non-purpose-rational actions. In the words of Max Weber this point of view can be summarized as follows: “The growing welfare state with associated bureaucracy means that the citizens come to live in an iron cage of rationality. If there is a political majority to counteract tendencies towards system control of the citizens, there are concrete proposals for an active political effort to strengthen the civil networks in a committee report prepared in connection with the welfare commission’s work” [6, s. 522-525].

In a critique of the development of the Danish welfare state, author and editor Henning Fonsmark has combined the neoliberal and the conservative approach, i.e. by pointing out that the funding problem and the development of bureaucratic routines constitute a kind of self-destructive force. The bureaucracy has both developed an independent ideology of societal growth through expansion of the public sector, and a growth in the number of leading positions in the public administration. The Red-Green Alliance (Enhedslisten), which works for a socialist

society, expresses in its program of principles concern about the Danish state's extensive interference in regulating the economy. At the same time, the party states that the Danish state has managed to engage in almost all aspects of the reproduction of the working class through a well-developed social, health and education system, which is why it wants the welfare society to be strengthened and renewed [15, s. 50-51].

The Red-Green Alliance (Enhedslisten) also mentions a number of rights that the working class has fought for, and since the party became the parliamentary foundation of the former Danish prime minister Helle Thorning-Schmidt's government in 2011, prominent members of the Red-Green Alliance (Enhedslisten) have stated that it was precisely them who stood as the defenders of the Danish welfare model. The Danish People's Party also sprang from a welfare-critical tradition, the Progress Party's policy for liquidation of the public sector. Pia Kjærsgaard and the other breakaways who formed Danish People's Party broke with this tradition, and the party is i.e. advocates for an expansion of care for the elderly and the hospital system [6, s. 546-548].

The social democracy has also expressed that growth and new jobs are a prerequisite for welfare. Against this background, a broad majority in the Danish Parliament in 2012 and 2013 implemented tax reductions on earned income, changes in cash benefits and sickness benefits. These reforms have been described by critics as welfare deteriorations, and i.e. the government's parliamentary foundation, the Red-Green Alliance (Enhedslisten), demanded a "social recovery" during the negotiations on the 2014 Finance Act. In a poll conducted by Gallup in 2013, 59% of those questioned answered that Danish welfare has become either significantly worse or slightly worse within the past few years, 46% believed that more people should be employed in the public sector to solve the welfare tasks [8, s. 51-53].

The future of the welfare state – development or dismantling?

In the debate over the Welfare Commission's report, several social scientists expressed concern that the universal principle would be undermined or dismantled. In his criticism of the welfare commission's report, Professor Jørn Henrik Petersen

highlighted, among other things, that the public's trust and support is a crucial prerequisite for maintaining the universal principle. The welfare researcher Professor Jørgen Goul Andersen was in line with this when he pointed out that income regulation of the child check and deterioration of pensions was a step on the way towards "welfare for the poor", which according to the English expert Richard Titmus is "poor welfare". Goul Andersen has suggested that instead of abolishing the child check it should be replaced by a tax deduction [1, s. 127-129].

The radicals, who have historically been instrumental in the decisive decisions on welfare benefits, announced in 2003 through their then chairman, Margrethe Vestager, a possible change to the universal benefits for pensioners. A reform that pulls in this direction must be described as a decisive change to the party's traditional position on the universal welfare state [4, s. 306-307].

Welfare state or competition state?

In an analysis from 2007, Tim Knudsen described the current Danish state as a social competition state. This type of state differs from the welfare state by prioritizing activation over benefits based on the "something for something" principle. In continuation of this, Ove Kaj Pedersen has argued in *The Competition State* from 2011 that the classic features of the Danish welfare state are being phased out, and that the correct term for the current state form is the competition state. In the competitive state, it applies that people must have an incentive to take up work. The focus is that everyone must be in employment [5, s. 40-42].

In an interview in the Danish newspaper "Politiken" on 23 August 2013, the then social democratic finance minister Bjarne Corydon declared himself a supporter of the competition state. He stated that the social democracy's economic policy was set on the conditions of the competition state, which implies that if you want to secure support for the welfare state, you must focus on the quality of public services rather than on transfer income. Corydon's view of the competition state as a "positive development of the welfare state" was welcomed by Kristian Jensen Liberal Party, while Johanne Schmidt-Nielsen from the Red-Green Alliance (Enhedslisten) complained that "the finance minister has bought the right wing's narrative that the

welfare society is a burden on the economy”. Ove Kaj Pedersen in continuation of this debate has stated that the competition state is a welfare state in Denmark. The current competition state aims to solve some of the problems that the old welfare state proved unable to solve. E.g. equality in society, but added that the prerequisite is a strong competitiveness. The Danish social model is therefore no longer built on welfare, but on competition [1, s. 113-117; 8, s. 45-48].

Conclusion

A common belief is that the European welfare states are in a position of crisis or heading towards one with the process of globalization removing any hopes of eventual worldwide welfare. This book challenges this assumption arguing that a proper understanding of the future role of the welfare state requires a broader social perspective that encompasses the interaction of economic, political and social processes. The future of the welfare state provides an interdisciplinary analysis of the practical and theoretical challenges, which the welfare state (and progress towards world welfare) can and must meet in the future.

In a comment to the final volume of the series “Danish Welfare History”, which was published in the years 2010-15, two of the contributors highlighted the following differences between the welfare state and the competition state:

1. The welfare state will develop the “moral community person”. The competition state will develop “the opportunistic private person”.

2. The welfare state is in solidarity with the exposed and vulnerable. The competition state is in solidarity with the workers and tax payers.

3. The welfare state sees the individual citizen as a value in and of itself. The competition state determines the value of the individual as determined by the ability to function on the labour market.

4. The welfare state is a protection against social risks. The competition state mobilizes the population and companies as players in global competition.

The globalization of the markets and an increased dependence on international development trends have limited the government’s and the parliament’s ability to pursue an independent welfare policy. Regionally, i.e. the expansion of the EU also

resulted in a number of ties between the states, which limit the room for action for the national parliaments and governments. Another effect of globalization is increased immigration, which challenges the citizenship principle behind the Danish welfare schemes. In the longer term, immigration has led to an increasing proportion of the population having an ethnic background other than Danish. Inadequate integration of these population groups can reduce society's cohesion and thus the basis of the welfare state.

The demographic development

At the beginning of the 2000s most projections indicated that the workforce in Denmark would begin to decline within a few years. Among other things, the Welfare Commission was set up in response to this and presented a number of proposals, which among other things, involved gradually raising the retirement age and phasing out the pension. As mentioned above, they formed the background for the welfare settlement in 2006 and (more indirectly) the withdrawal agreement in 2011. Partly because of these and similar policy decisions, and partly because population projections gradually predict more people of working age in the future, an increasing labour force is now expected instead henceforth.

The financing of a welfare state such as the Danish one requires large tax revenues if fiscal policy is to be sustainable, i.e. if public debt is to remain under control. If tax revenues come under pressure, it may become difficult to maintain spending levels. Tax revenues can fall if the extent of tax evasion increases, if fewer people choose to work or they work fewer hours than before, or if the population politically prioritizes reducing tax rates. Tax revenues can also temporarily fall in periods when, for example, are relatively small birth cohorts in the labour market, and therefore a relatively small workforce. Excessive deficits on the public balance can bring Denmark into conflict with the EU's fiscal pact and the stability and growth pact. Since 2012, however, both the government and economic experts have assessed that the Danish fiscal policy is sustainable and thus able to finance the current welfare schemes in the future. According to the sages, the fiscal policy is even considered to

be sustainable, such that the future public expenditure will be less than the tax revenue.

Equality

The expansion of the welfare state has integrated women into the labour market; but there is still no equality between the sexes in terms of pay and working conditions, which, among other things, has led to demands for gender quotas. In Norway, there has thus been a gender quota for board positions in private companies since 2008. However, it is quite an open question whether the welfare state will exist in the form it has today. In 2060, the burden on the elderly will be of a dimension that will make it difficult to finance the welfare model. In the next 30 years, it will probably be necessary to design a welfare state in which self-financing would play a far greater role. Otherwise, Danish society will lag behind in comparison with other societies on the globe.

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