



COUNTRY
REPORT
FOR
DENMARK

A photograph of a woman holding a young child, walking on a sidewalk next to a brick building. The entire image is overlaid with a red tint. The woman is looking down at the child, and the child is looking towards the camera. The background shows a brick wall and a metal railing.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01 EU 2020 Strategy: general evaluation

Europe 2020 has led to consultations between the Danish government and a broad spectrum of interested organisations and NGOs. However, Caritas Denmark is under the impression that the Danish government is mainly adapting already existing objectives and initiatives to the Europe 2020 Strategy rather than letting the strategy be a catalyst for new objectives and initiatives in the social field.

The Europe 2020 targets are still relevant for the creation of jobs. The target concerning fighting poverty and reducing social exclusion is particularly important and relevant to the Danish context. The breakdown of EU targets into national targets is a precondition for the targets to be taken seriously by the member states.

It may be difficult to reach some of the targets, but nevertheless the targets should be kept. We have to be ambitious, because the level of ambition ultimately shows what the European community and its Member States will actually prioritize to reach the targets set.

Regarding the needed focus on a future EU strategy on growth and jobs, the most important area to be addressed is the inclusion of marginalised people. In order for such a strategy to make a difference, it must be linked to other policies and strategies at both EU and Member State level. When the Danish government presented its so-called social 2020 goals in 2013, it could have been expected that those goals would match the Europa 2020 Strategy to a certain extent; however, that was not the case. Most importantly, it is incomprehensible that the government did not (and has not) set a definite goal concerning the reduction of poverty in Denmark by 2020 in accordance with the Europa 2020 Strategy and the Danish government's own decision on introducing a poverty line in Denmark.

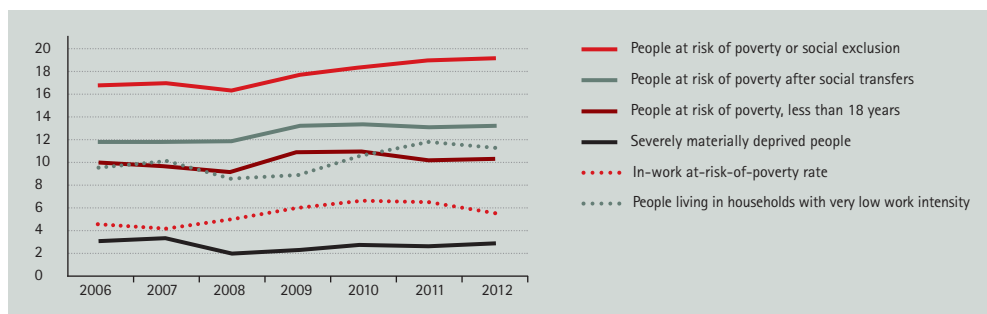
In order for a future strategy to deliver results, continuous monitoring of and systematic dialogue on Member States' efforts is a requirement.

Regarding the involvement of stakeholders in the Europe 2020 process, Caritas Denmark reports that its Secretary General, in his capacity as chairman of the Council for Socially Marginalized People, has been part of the Danish government's contact group for the Europe 2020 Strategy. This Council is appointed by the Danish government and serves as a voice for marginalized citizens in Denmark.

02 Poverty

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Denmark													
POVERTY													
People at risk of poverty or social exclusion	-	-	17.6	-	-	18.3	-	-	18.9	-	-	19.0	24.8
People at risk of poverty after social transfers	12.8	13.4	13.1	12.8	13.4	13.1	13	13	13.0	13.3	12.9	13.1	17.0
People at risk of poverty, less than 18 years of age	-	-	10.9	-	-	10.9	-	-	10.2	-	-	10.2	20.8
Severely materially deprived people	-	-	2.3	-	-	2.7	-	-	2.6	-	-	2.8	9.9
In-work at-risk-of-poverty rate	7.1	4.5	5.9	7	5.8	6.5	7.1	5.6	6.4	6.4	4.6	5.6	9.2
People living in households with very low work intensity	-	-	8.8	-	-	10.6	-	-	11.7	-	-	11.3	10.3



Development of poverty and social exclusion indicators in Denmark (2009-2012) based on Eurostat:

- ➔ The highest absolute and relative increase occurred in the rate of people living in households with very low work intensity, which rose by 2.5 p.p. from 8.8% in 2009 to 11.3% in 2012, situating the indicator slightly above the EU-average (10.3% in 2012) and, at the same time, making it the only poverty indicator above the EU-average.
- ➔ The rate of people living at risk of poverty and social exclusion increased from 11.7% in 2009 to 13% in 2012. It is worth noting that men are at higher risk of poverty after social transfers (13.3% in 2012) than women (12.9% in 2012) – a trend that reversed its gender disparity during the observed period (12.8% men, 13.4% women in 2009).
- ➔ The in-work-at-risk-of-poverty rate dropped slightly by 0.3 p.p. – most notably due to a drop in the male rate – but continues to affect more men (6.4% in 2012) than women (4.6% in 2012).
- ➔ It is also worth highlighting that child poverty experienced a slight decrease of 0.7 p.p. to 10.2% in 2010, situating the rate well below the EU-average (20.8% in 2012).

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ Since 2009, Denmark has implemented several reforms that have had both negative and positive consequences for the employment rate, and especially for the number of poor people in Denmark. In 2013, the Danish government appointed an expert committee to work on a proposal for a Danish poverty line as well as to examine different aspects of poverty in Denmark. The expert committee presented its report in 2013 with a recommendation for a Danish poverty line, which the government then introduced as the official poverty line in Denmark. The expert committee's analysis showed that poverty in Denmark tripled within the last 10 years.
- ➔ The first report on the issue in May 2014 ("Familiernes økonomi, fordeling, fattigdom og incitament¹") showed that there had been 16,200 economically poor people in Denmark in 1999, which grew to 42,200 in 2011 and slightly decreased to 39,200 in 2012. The small decrease in 2012 is certainly a positive development, but in the very same report the government states that the latest reforms (concerning tax, employment and the social sector respectively) may result in up to 10,000 more poor people in the coming years.

2.2

Recent policy developments

Assessment of Denmark's Country Specific Recommendations (CSRs) adopted in 2013:

The recommendations concerning greater possibilities in the labour market for socially marginalized people are very relevant. It is continually hard for marginalised citizens to gain a foothold in a labour market characterised by high production demands.

Furthermore, the recommendations do not respond to the fact that Denmark has a poverty problem that will most probably grow in the years to come.

2.3

Recommendations

- ➔ The Danish government should set objectives for poverty reduction. The Council for Socially Marginalized People² has suggested the objective be a reduction of poverty in Denmark by 50% before 2020, which Caritas Denmark supports. To reach a goal like this would require that the government reconsiders some of the lowest benefits – including the reduced social security benefits.

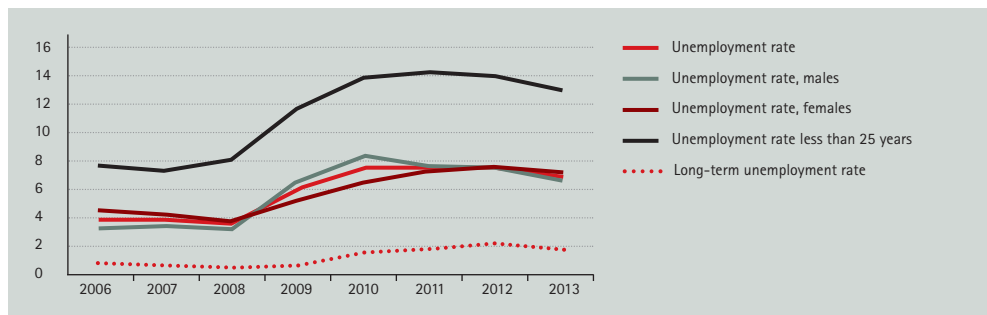
¹ http://oim.dk/media/623533/Familiernes_Oekonomi_Fordeling_Fattigdom_og_Incitament.pdf

² <http://www.udsatte.dk/>

03 Employment

3.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Denmark																
EMPLOYMENT																
Employment rate	80.5	74.5	77.5	78.6	73.0	75.8	79.0	72.4	75.7	78.6	72.2	75.4	78.7	72.4	75.6	68.3
Unemployment rate	6.6	5.3	6	8.3	6.5	7.5	7.7	7.4	7.6	7.5	7.6	7.5	6.7	7.3	7	10.8
Unemployment rate, under 25 years of age	-	-	11.8	-	-	13.9	-	-	14.3	-	-	14	-	-	13	23.4
Long-term unemployment rate	0.6	0.5	0.6	1.8	1.2	1.5	2	1.7	1.8	2.1	2.1	2.1	1.6	2	1.8	5.1



Developments of employment indicators in Denmark (2009-2013) based on Eurostat:

- ➔ The highest relative increase occurred in the long-term unemployment rate, which doubled between 2009 (0.9%) and 2013 (1.8%), and even quadrupled among women (0.5% in 2009, 2% in 2013); nevertheless, remaining well below the EU-average (5.1% in 2013).
- ➔ The highest absolute increase occurred in the female unemployment rate, which rose from 5.3% in 2009 to 7.3% in 2013, also remaining well below the EU-average (10.9% female, 10.8% overall in 2013).
- ➔ It is worth noting that the gender disparity in unemployment rates reversed during the observed period, affecting more men in 2009 (6.6% overall, 0.6% long-term) and more women in 2013 (7.3% overall, 2% long-term). At the same time, the gender gap in employment rates widened (6 p.p. in 2009, 6.3 p.p. in 2012), most notably due to a larger drop in female employment, which nonetheless remains well above the EU-average (62.5% in 2013)
- ➔ Youth unemployment peaked in 2011 (14.3%) and levelled off in recent years (14% in 2012, 13% in 2013), representing an overall decrease of 1.2 p.p. during the observed period.

3.3

Recommendations

Significant reforms have been implemented to help vulnerable citizens with complex problems, such as abuse and mental disorders. The reform of the social security benefits system has, for example, helped vulnerable citizens by offering multi-annual resource courses with a focus on rehabilitation and by applying a holistic approach.

Although such reforms have great potential to help vulnerable citizens, the reform itself does not create jobs – and jobs are, to a large extent, what are needed.

Caritas Europa

Rue de Pascale, 4
1040 Brussels - Belgium
Tel. +32 (0)2 280 02 80
Fax +32 (0)2 230 16 58

info@caritas.eu
www.caritas.eu



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