



# RESEARCH PAPERS

from the Department of Society  
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**Research Paper no. 8/06**

**Urban Competition and Urban Crisis:**

**City and Security: The Case of Social  
Welfare in Denmark, with a Focus on  
Housing**

**Peter Abrahamson**

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Welfare in Denmark, with a Focus on  
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**Peter Abrahamson**

**Roskilde University, Denmark**

**Research Papers from the Department of Society and Globalisation, Roskilde University, Denmark.**

**Working paper series**

The Department of Society and Globalisation is one of the largest at Roskilde University with 75 permanent scientific personnel together with several Ph.Ds, and other teaching staff. Most of the academic personnel have a background in economics, political science or sociology. It is a general goal of our department and the rest of Roskilde University to foster interdisciplinary teaching and research. The later can be seen from the four main research lines of the department, namely:

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## **Abstract**

This essay is about the development of welfare policies in general, and housing policies in particular, in Denmark in the post World War Two period. Housing is the most important item when it comes to the well-being of the individual and/or his or her family, and, housing policy was a central element in building up the welfare society. The building of public social housing took off from the mid 1960s, and a decade later the housing market could be said to have been in balance. State intervention had taken place along two dimensions: on the one hand, the public housing sector received substantial subsidies for the construction of dwellings, while on the other home ownership was supported by fiscal welfare, since interest on debts could be deducted from taxes. This development changed the geographical and social segregation of the urban space and population. These early beginnings coincided with the 'golden years' of the welfare state from 1945 to the mid-1970s. The expansion of publicly supported housing and of privately owned one-family houses took place outside the city centres, which created middle-class suburbs and huge public housing estates. The (lower) middle classes populated the former, while workers, both skilled and unskilled, moved into the latter. In the 1960s to mid-1970s both public housing and suburbia were considered nice places to live, relatively spacious, with high levels of comfort and lots of fresh air and green external surroundings. However, since the mid-1970s, the public housing estates have gradually changed, although the middle-class suburban spaces have maintained their positive image. New groups of people started to move into the public housing estates, notably immigrants and socially marginalised sectors of the population. In the public discourse, public housing estates have developed into ghettos with an over-representation of ethnic minorities with little or no attachment to the labour market, and ethnic Danes equally marginalised from the labour market and from mainstream institutions of social integration. Simultaneously, suburban one-family home-owner neighbourhoods have developed into equally homogeneous middle-class ghettos. From 1984 to 1997, over-representation of the most vulnerable recipient of social assistance rose by 85% in the socially deprived areas of the largest urban districts. The essay concludes that the trend is towards a stronger division in society between the middle classes and the marginalised sectors of the population. The former are enjoying integration into society by relying more on market and corporate solutions, while the latter are exposed to exclusionary processes because of their dependence upon public provisions that, whether deliberately or not, place them outside the mainstream

**Keywords: Welfare state, social policy, housing policy, urban segregation, marginalization**

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## *Preface*

This report of four essays is outcome of readings into and meetings with the French sociologist Jacques Donzelot. It is hard not to remember Jacques Donzelot when one has had the opportunity to read his main books. For good reason *La police des familles* (1978) and *l'Invention du social* (1986) both have had impact on contemporary Danish sociology. Today, Donzelot is involved in a major comparative research scheme titled “Ville, Violence et Dependence Sociale – L’inflexion neo-liberale des politiques urbaines, sociale et de securité” at PUCA – Le Plan Urbanisme Construction et Architecture – under the French Ministry of Research and Technology. His latest books *Faire société: la politique de la ville aux États-Unis et en France*, Seuil, 2003 (with Catherine Mével and Anne Wyvekens) and *Quand la ville se défait: Quelle politique face à la crise des banlieues*, Seuil, 2006 both offer insights into aims, perspectives and outcomes of the study.

The comparative research scheme includes seven European countries: Holland, Denmark, England, Germany, Italy, Belgium and France. This report deals with the case of Denmark. We have had the opportunity to present our thoughts at a seminar April 2006; besides we have got the possibility to participate in a session on the case of England June 2006. Both seminars were organized by PUCA. The more we have come into the task the more one realizes the level of its ambitions. Jesper Visti Hansen has been with us as important moderator and interpreter of Donzelot’s work.

The report consists of four distinct essays that are meant to be read in chronological order:

### **1. Introduction**

Anni Greve

### **2. Urban politics in Denmark**

Hans Thor Andersen

### **3. City and security: The case of social welfare in Denmark with a focus on housing policy**

Peter Abrahamson

### **4. Changing concepts for handling dangers in the city: The case of Copenhagen**

Anni Greve

**Urban Competition and Urban Crisis:**

**City and Security: The Case of Social Welfare in Denmark, with a Focus on Housing**

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## Introduction

*'The splitting up of the population between the resident types of the housing market, which has occurred subsequent to 1970, has in several respects turned out to have had considerable sociological consequences'*

(Christoffersen and Rasmussen 1995: 47).

Housing is, presumably, the single most important item when it comes to the well-being of the individual and/or his or her family. One reason is that housing takes up a large share of private consumption: 25 per cent is spent on housing expenditure by an average family in Denmark (Kristensen 2004: 9). Furthermore, housing is an important social signifier, the stable point of identification in an otherwise fluctuating everyday life marked by individualization and detraditionalization (Beck 1992; Gullestad 1989). Therefore, one of the central issues when it comes to welfare in city spaces is housing policy. But housing policy has also been labelled the 'wobbly pillar' of the welfare state (Malpass 2003; Kemeny 2003).

William Beveridge, in his report to the British Government in 1942, identified 'five giant evils' of our time: want, disease, ignorance, squalor and idleness, which would be addressed by a number of different institutions. Social insurance would do away with want, health care would cure disease, ignorance would be dealt with through education, idleness would be tackled through employment policies (full employment), and housing policy would put an end to squalor (Beveridge 1942).

***Table 1. Modern welfare states: correspondences between risks and remedies***

RISK	REMEDY
Want	Social insurance and social assistance
Disease	Health care
Ignorance	Education
Idleness	(Full) employment
Squalor	Housing

Source: Inspired by Beveridge (1942)

In an address at the opening of an exhibition named 'Rebuilding Britain' in 1943, he said about squalor: 'By Squalor I mean the conditions under which so many of our people are forced to live - in houses too small and inconvenient and ill-equipped, impossible to keep clean by any reasonable amount of labour, too thick upon the ground, too far from work or country air' (Beveridge 1943: 167).

This essay is about the development of welfare policies in general, and housing policies in particular, in Denmark in the post World War Two period.

## International Comparison of Welfare and Housing

The development of the Danish welfare state after the Second World War to a large extent followed the Beveridge blueprint, or at least was greatly inspired by it.<sup>1</sup> Hence a universal welfare state model was developed, with a high degree of direct public responsibility and involvement in the five welfare institutions. The main features are highlighted in contrast to the Bismarckian approach in Table 2.

**Table 2. Two opposing welfare state models: Beveridge vs. Bismarck**

	Bismarck	Beveridge
Example	Continental Europe/France	Scandinavia/Denmark
Criteria for entitlement	Contribution/membership	Rights/citizenship
Political ideology	Conservative	Social Democratic
Central institution	Voluntary Organizations	State (public sector)
Financing	Social partners' contributions	Taxes
Demarcation of entitled population	Affiliated with the labour market	Legal resident

*Source:* Elaborated from Abrahamson (2005)

In the (West) European context, welfare organization is split between the resident/citizenship principle and the membership principle. Within the Beveridge model, legal residency or citizenship is the key to entitlement to collectively organized welfare provision; within the Bismarck model, by contrast, entitlements are dependent upon contributions to corporatively organized welfare institutions within the labour market. This makes the state at its various levels the central institution in the former model, while the voluntary organizations of the labour market are the important institutions in the latter. The Bismarck model dominates Continental Europe, including France, while the Beveridge model predominates the Nordic countries, not least Denmark. In the Continental model, welfare provisions are overwhelmingly financed out of the contributions of the social partners, while in Scandinavia general tax revenues are dominant. This is common knowledge within the welfare state literature, and sometimes the scheme is differentiated by separating out a liberal model from the Beveridge model, with a strong emphasis on private market solutions, and a Southern model emphasizing the family as most important institutions (for an extended discussion, see Abrahamson 1999).

However, these traditional understandings have been challenged on a number of counts. First, it has been convincingly argued that, when it comes to family policy and especially social services for children, France and the Benelux states stand out from the other Continental countries with provisions meeting or surpassing Scandinavian standards (Anttonen and Sipilä 1996). Thus, when the perspective is changed from transfers to services, the clustering of welfare states also changes. The important question in this context is, of course, whether the welfare models are relevant when the perspective is on security within the built environment of the city. In other words, are city and housing policies differentiated along the same lines as social transfer payments? James Kemeny (2003) has investigated this aspect, his conclusion being that rental housing systems are divided into two types: dualist (profit-rental market versus a residual, public and poor housing sector), and unitary (not-for-profit housing

<sup>1</sup> '...the principles which we find in Scandinavian social legislation are closer to Lord Beveridge than to Chancellor Bismarck' (Andersen 1979: 9).



integrated into the market). Compared with the usual welfare model distinction, no Nordic social democratic regime type can be identified for housing. That is, there is no affinity between how housing markets and welfare states are structured. Kemeny classified Denmark and Sweden as belonging to the integrated or unitary housing system, while Finland and Norway belong to the dualist system (as in the USA). France is classified as belonging to the integrated type (2003: 47). Therefore, when we compare Denmark and France, we see that they belong to the same type of rented housing system but to two different welfare regimes.

## **Phases of Development of Housing and Welfare Policy in Denmark in the Post-World War Two Period**

1945-1975: The Golden Years or 'Les Trente Glorieuses'

'In post-war Denmark, housing policy was a central element in building up the welfare society,' writes Hans Kristensen (2004: 7). He mentions the establishment of the Ministry of Housing in 1947 and states that the main aim of housing policy was to get rid of what Beveridge had called squalor (*bolignød*) through the accelerated building of both rental housing and home-owner dwellings. With a slow start, the building of public social housing (*almennyttige boliger*) took off from the mid 1960s, and a decade later the housing market could be said to have been satisfied or in balance. State intervention had taken place along two dimensions: on the one hand, the public housing sector received substantial subsidies for the construction of dwellings, while on the other home ownership was supported by fiscal welfare, since interest on debts could be deducted from taxes. The combination of boosting both the public housing rental sector and the home-ownership, single-family housing sector led to a situation in which there was no longer a shortage of dwellings.

This development changed the geographical and social segregation of the urban space and population. Immediately after the war, all social categories, such as the socially excluded, the workers, the middle classes and the bourgeoisie, all lived in the city centres, albeit allocated to their particular zone or neighbourhood; a segregation that had developed since the expansion of the cities that came with industrialization from the 1890s and afterwards.

These early beginnings coincided with the 'golden years' of the welfare state, which in most West European states is identified as the period from 1945 to the mid-1970s, when the first oil crisis changed the momentum of welfare state expansion. In Denmark, the establishment of the universal old-age pensions in 1956, paid to everyone at the age of 67 and older, is one of the first and most significant manifestations of the establishment of the universal welfare regime.

The impact on social and spatial segregation was profound. What happened was that the expansion of publicly supported housing and of privately owned one-family houses took place outside the city centres, which created middle-class suburbs and huge public housing estates. The (lower) middle classes populated the former, while workers, both skilled and unskilled, moved into the latter (Thomsen 1994: 291). In this period, the 1960s to mid-1970s, both public housing and suburbia were considered nice places to live, relatively spacious, with high levels of comfort and lots of fresh air and green external surroundings.

1976-1992: Welfare State Crisis?

However, since the mid-1970s, the public housing estates have gradually changed, although the middle-class suburban spaces have maintained their positive image. What happened was that new groups of people started to move into the public housing estates, notably immigrants and socially marginalised sectors of the population. This development was to some extent facilitated by the gentrification of the old city centres, which changed the earlier low-income neighbourhoods into working- and middle-class ones, either because rents went up significantly, or because the flats were converted into condominiums, which likewise prevented low-income families from occupying them. The poorer sectors of the population were therefore pushed out into the public housing estates on the outskirts of cities, thus changing the social composition there.

Again, there is a parallel development with respect to welfare policies. With the new Social Assistance Act coming into force in 1976, the following principles were supposed to guide social policies targeted at the poor on the local level, the level of implementation.

**The prevention principle.** The number of cases in which permanent or long-term support is necessary should be reduced by early and sufficient efforts, preferably when it is possible to predict a risk that problems will become greater and longer lasting or even permanent.

**The principle of income loss.** In the case of a temporary loss of income, generous and means-tested financial support should be given. This should prevent social de-routing because of temporary economic problems.

**The rehabilitation principle.** If a person is unable to support himself or his family, he should be rehabilitated, through, for example, education, re-education or training.

**The principle of means testing.** Every single case should be examined in order to provide proper and sufficient help, without regard to what has caused the problem.

**The totality principle.** When assessing support needs, attention should be paid to all the various aspects of the client's situation.

**The unity principle.** There should only be one place to apply for help, and preferably only one social worker at the social security office to contact.

The overall consequence of this reform complex was the decentralization, i.e. municipalization, of the Danish welfare system (see further, Abrahamson 2002: 63 ff.).

1993 to Present: Restructuring the Welfare State

The gradual 'deterioration' of the social composition of the public housing estates led to comments about ghettoization and the identification of 'trouble areas'. After the change of government in 1993, welfare and housing policy entered a new phase, marked by the establishment of the city committee (Byudvalget). This was a central government initiative which gathered civil servants from several ministries to organize action plans focussing on selected deprived neighbourhoods, nearly all public housing estates (Kristensen 1995, Kristensen 1999). I shall return to this below.

The early 1990s also saw a change in welfare policy, which can be identified as activation policies roughly equivalent to the French insertion policy. Gradually, during the 1990s the Social Assistance Act was changed regarding support for the young. Through the introduction of the so-called 'youth-allowance', those aged eighteen and nineteen can no longer receive social assistance passively, but have to submit themselves to either a job or a training activity, offered by the

municipality, in order to receive cash benefits. As of April 1992, the youth allowance was extended to cover all those from 18 to 24 applying for support under the Social Assistance Act. Within two weeks, the municipality was supposed to have found the applicant a suitable job, training, education or other activity, for which the young person would be paid the equivalent of what they used to collect in assistance payments.

This legislative change is indicative of the current trends in Danish welfare policy encompassing the shift from passive support to active involvement introduced in 1979 with the Job Offer Scheme, and now expanded into other areas of the welfare system. In 1993 Denmark had a new government, for the first time in more than ten years led by the Social Democrats, only to be replaced by a new centre-right government in 2001. Nonetheless the policy that took shape during the 1980s was continued, and in 1997 the Social Assistance Act was replaced by the Act on Active Social Policy, which made it crystal clear that insertion, inclusion and activation were and are the key words in social intervention towards the poor. The various changes of government have not produced any concomitant changes in these ideas.

**Table 3. Housing distribution and development in Denmark, 1960-2000**

	1960	1970	1980	1990	2000
Dwellings per 1000 inhabitants	323	370	435	476	476
M2 per dwelling	92	101	106	107	109
M2 per inhabitant	29	36	46	50	52

*Source:* Vestergaard (2004: 279)

As demonstrated in table 3 the housing stock expanded significantly from 1960 to 1990. In 1990 there were 50 per cent more dwellings per inhabitants, and the housing space per person expanded 80 per cent. Since 1990 the housing stock has stabilized on the 1990-level indicating a maturation of housing stock in Denmark around this time.

### **Summing up the Situation of the Danish Welfare State**

As is clear from Table 4, relatively speaking, there has not been much development with respect to total social expenditure: as a share of GDP, Denmark has been spending between 27 and 31 per cent since the mid-1980s. However, in absolute terms, measured at expenditure per capita in fixed prices, expenditure increased by twelve percent from 1999 to 2004. In Table 5, the same information is given comparatively, including data on France. From this it is evident that, regarding their relative size and absolute expenditure, Denmark and France are very much alike, and both spend more than the European Union average.

**Table 4. Development of total social expenditure in Denmark, 1987-2004**

	1987	1990	1995	2000	2004
In % of GDP	26.6	28.9	31.3	27.6	29.9
Per capita at fixed prices €	6.202	6.851	8.512	8.710	9.690
Index 99=100	71	79	98	100	112

Source: Statistics Denmark (2005)

**Table 5. Expenditure on social protection as percentage of GDP, 1992–2001 (constant prices €-PPP per capita)**

	1992	1996	2001
EU-15	27.7	28.4	27.5 (€ 6.405)
DK	30.3	31.4	29.5 (€ 7.805)
F	29.3	31.0	30.0 (€ 7.266)

Source: Eurostat (2004)

Like most other welfare states, Denmark spends most of its resources on old age and sickness. Housing and social assistance, which are of the greatest importance for ensuring security in the city, only accounts for six percent of total social expenditure, as indicated in Table 6.

**Table 6. Functional distribution of social expenditure in Denmark, 2004, as percentage of total expenditure**

Sickness	Invalidity	Old Age	Families	Employment	Housing	Social Ass.
20.6	13.9	37.2	13.0	9.5	2.4	3.5

Source: Statistics Denmark (2005)

One of the major changes which have occurred within the Danish welfare state over the last twenty years is the shifting of the burden of financing welfare. In 1987 the central government covered 44 percent of total costs, municipalities 40 percent, employers 12 percent and employees only 5 percent. However, in 2004 the state reduced its contribution to 27 percent, while employees had increased theirs to 21 percent. The burden has therefore been shifted from the state to insured workers, thus bringing Denmark more in line with Continental Europe in this respect, as is shown in Table 7.

**Table 7. Share of financing of total social expenditure, 1987–2004, in percentages**

	State	Municipality	Employers	Employees
1987	43.8	39.8	11.7	4.7
1990	49.3	36.6	8.4	5.7
1995	39.3	35.1	10.9	14.7
2000	28.6	39.8	9.8	21.8
2004	26.8	41.2	19.9	21.0

Source: Statistics Denmark (2005)

One of the issues that distinguish the Danish and Scandinavian welfare states from most others is the high rates of labour market participation and

employment. Table 8 demonstrates that three out of four Danish women aged 15 to 65 are active in the labour market, which is the case for less than two out of three in France and generally in Europe. Unfortunately, some of those who are active in the labour market are without jobs. Table 9 shows that in 1993 unemployment in Denmark was on a par with the situation prevailing in France and generally in Europe, but in 2004 the Danish unemployment rate had declined to about five percent, while it was around ten percent in France.

**Table 8. Activity Rates for Men and Women, 1993-2004**

	1993		1997		2000		2004	
	M	W	M	W	M	W	M	W
EU-25	..	..	77.4	58.1	77.4	60.0	77.5	62.0
EU-15	78.5	55.9	78.0	57.9	78.3	60.0	78.6	62.5
DK	85.0	72.6	84.8	74.7	84.2	75.6	84.0	76.2
F	75.0	59.8	75.1	61.2	75.2	62.4	75.2	63.9

Source: European commission. Employment in Europe (2005)

**Table 9. Unemployment Rates for Men and Women, 1993-2004**

	1993		1997		2000		2004	
	M	W	M	W	M	W	M	W
EU-25	..	..	8.0	11.3	7.3	10.2	8.1	10.2
EU-15	8.8	11.7	8.4	11.8	6.4	9.3	7.1	9.3
DK	9.3	9.9	4.4	6.2	4.1	4.8	5.1	5.6
F	9.6	13.0	10.1	13.3	7.6	10.9	8.8	10.7

Source: European commission. Employment in Europe 2005.

One significant difference between Denmark and many other countries, including France, is the extent to which unemployment is concentrated among the younger cohorts. From Table 10 we can see that in 2004 Denmark had a youth unemployment rate of around eight or nine per cent, while in France it was around 21 or 23 per cent.

**Table 10. Youth Unemployment Rates: Men and Women, 1993-2004**

	1993		1997		2000		2004	
	M	W	M	W	M	W	M	W
EU-25	..	..	17.6	21.6	16.0	19.0	18.1	19.3
EU-15	19.8	23.1	18.4	23.0	13.7	17.1	16.0	17.3
DK	13.1	12.5	6.8	8.8	7.0	7.1	8.8	7.5
F	25.0	29.3	25.9	31.2	18.0	22.5	20.9	23.3

Source: European commission. Employment in Europe (2005)

## Segregation at the Bottom: Ghettoization?

In the public discourse, public housing estates have developed into ghettos with an over-representation of ethnic minorities with little or no attachment to the labour market, and ethnic Danes equally marginalised from the labour market and from mainstream institutions of social integration. Simultaneously,

suburban one-family home-owner neighbourhoods have developed into equally homogeneous middle-class ghettos: in Madsen's words:

There is a considerable difference of income between different types of housing. For families of working age, incomes per person are nearly double for those in home-owner dwellings than those within the public housing sector. This is to a large extent explained by differences in labour market affiliation. Of people of working age in public housing, about one quarter of two-person families and about half of single people were without work in 1997, while the corresponding figures in the home-owner sector were three percent and fourteen percent respectively. This difference increased from 1991 to 1997. (Madsen 2001: 6-7). Tendencies towards greater segregation in the housing market have occurred for more than thirty years or perhaps longer. (ibid.: 9)

The issues of ethnicity and multiculturalism are, of course, linked to immigration and refugees seeking asylum. As Jan Hjørnø has stated (1997: 15-16):

The majority of labour immigrants, refugees and their families reside in the major urban area, especially Copenhagen, which today, like most European cities, has an ethnically diverse population with tendencies towards ethnic inequalities in terms of occupation, education and housing. [...] The tendencies towards spatial segregation between ethnic groups...have been the prime hot-bed for the xenophobic and racist discourse which has appeared.

Similarly, Hummelgaard and Husted (2001: 70) found that

almost three quarters of refugees live in the metropolitan area....A quarter of all immigrants live in socially deprived areas, most of which are located in the metropolitan area, as opposed to only 3.6% of the general population living here....This strong geographical segregation means that two thirds of all immigrants live in municipalities in which only 10% of the population reside. Immigrants migrate so rarely that this has been the settlement pattern for decades.

From 1984 to 1997, over-representation of the most vulnerable recipient of social assistance rose by 85% in the socially deprived areas of the largest urban districts. This is the situation that city politics is confronted with.

## **Welfare State Intervention in the 'Ghettos'**

Under the heading 'urban regeneration' (*kvartersløft*),<sup>2</sup> the 1993 and 1997 Social Democratic-led governments focussed urban policy on the so-called ghettos. This development started with the establishment of the Urban Committee (*byudvalget*) in 1993, an interdepartmental committee, with representatives of civil servants from the ministries of the interior, housing, justice, religious affairs, social affairs and education. This diversity reflects an understanding of the complexity of the issues and problems to be addressed, and was a reaction to the spatial and ethnic segregation discussed in the previous section.

The aim of the work initiated by the committee was thus to alleviate negative social developments in the socially deprived neighbourhoods. This was to be done through a huge number and wide spectrum of suggestions, ranging from the establishment of new activation offers in the neighbourhoods in the form of help-to-self-help programmes, greater renovation initiatives, and the localization of a number of model neighbourhoods, which were supposed to receive intensive support and close monitoring. Crime-prevention measures (*sikl*) and the mobilization of associations (NGOs) and church networks also

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<sup>2</sup> Translation suggested by Hedvig Vestergaard (1999).

formed part of the initiative. Key persons in the strategy were the so-called 'tenants' advisers' (*beboerrådgivere*), whose task was to coordinate these various initiatives through direct community work (*direkte opsøgende arbejde*) in collaboration with the other actors on the scene – housing co-operations, municipalities, local business community, etc. Secondly, a number of initiatives were aimed at changing the social composition of the neighbourhoods through economic and counselling mechanisms. A third category of initiatives was directly targeted the ethnic sectors of the deprived population (Kristensen 1995).

A team of social scientists and economists evaluated this initiative, their main conclusion being that negative social, physical and economic development on the estates has ceased, and that the efforts of the Urban Committee have prevented the problems from escalating. However, the social problems have not been solved. Furthermore, they stated:

One of the most important results of *The Local Network Strategy* is that, in many municipalities, permanent co-operation has been established between local authorities and the tenants' elected boards of the estates, where other local actors are often involved. In some municipalities the programme has also succeeded in changing the strategy of local authorities for social work to be more oriented towards neighbourhood-based efforts. In many of the municipalities, however, there has not been much change in the strategy of local authorities, and co-operation with the estates has been weak. On some of the estates, efforts have succeeded in involving and benefiting vulnerable and deprived tenants. However, a large part of the social activities has been directed towards all tenants, and these general activities have seldom involved the weak groups and also seldom immigrants. Only activities aimed especially at these groups have been to their benefit. Some of the most successful activities were directed at young people and have reduced problems with crime and vandalism. (Andersen et al. 1999.)

The latest development, which occurred with the change of government in 2001, when a liberal-conservative minority government came into office relying on the parliamentary support of the so-called Danish People's Party – a xenophobic, racist, right-wing party – has meant bad news for ethnic minorities, refugees, immigrants, and poor and marginalized people. Urban politics is now about seclusion or dispersal.

## **Changes in Social Assistance: Start Allowance**

In line with the previous government, the present one has found it imperative to reduce transfer payments to refugees and immigrants as a way of motivating them to seek employment and support themselves. Ethnic minorities have a high level of unemployment in Denmark, roughly double the average for the whole population, and already in 1999 the then Social Democratic-led government enacted the so-called 'introductory provision'. This was targeted at people who had recently arrived in the country, and payments were about two thirds of regular social assistance. Although that government was compelled to withdraw the act after complaints were filed against Denmark for discrimination and non-compliance with international conventions, the current government has succeeded in creating legislation which is not formally discriminatory. This introduces the so-called 'start allowance', which can be given to people who are otherwise eligible for social assistance but who have not been residing in Denmark for seven of the last eight years. This means that one has to have been living in Denmark for at least eight years in order to claim social assistance, otherwise one can only claim the start allowance. The start allowance provides claimants with somewhere between 45 and 64 percent of

social assistance and is equivalent to the state student grant (*Statens Uddannelsesstøtte*). Most recipients are refugees, and the ethnic composition of recipients is highly biased towards people from 'less developed countries.'

A number of poverty thresholds have been calculated for 2003: fifty percent and sixty percent net disposable income, a standard budget, a discount budget and a basic living level. In all cases the start allowance was below any of these thresholds, this being the case for all family types (Social Årsrapport 2003: 112-114). This social policy invention is deliberately producing income poverty at a level not seen before in Denmark.

## **The terminology of freedom**

Claus Olsen and Ida Marie Svendsen (2003) have analysed the recent changes to transfer payments in the Danish welfare state and have concluded that all changes 'refer to what can be labelled "the terminology of freedom."' This means that in explaining new legislation, government programmes etc., concepts such as self-determination, personal development, resources, putting the individual at centre stage etc. predominate. This is similar to Lone Moritz's identification (2003) of a change from the family principle to the labour-market principle in social assistance legislation. Earlier the focus was on a holistic approach, in which an individual's situation was assessed with reference to the environment in the sense of the family, the labour market, housing etc., where the material and psychological dimensions were linked, and where the focus was more on the history and past of the client. Now the focus is more on the present and future situation, and it emphasizes labour-market capability and a willingness to enter a contract tying assistance to certain benchmarks. Olsen and Svendsen (2003: 99) are very critical of the contractual thinking, which presupposes an equal relationship between the client and social worker, which, of course, never has existed and never will:

This kind of norm carries with it the risk of a downplayed, invisible and in principle unlimited power domination: through a dramatic and obscure number of legal rules, through a lack of stipulation of limits for what is relevant to legal judgements, and through the omission of relating to the reality (power, financial matters, security, distribution), substituted with a general consensus about the general, ethically loaded starting point. [They conclude that] the ethical formulations and procedural rules may perhaps express a liberation of the individual for some, but simultaneously they seem to produce rules of control and sanctions towards others (2003: 100).

These are principles foreign to the ideal-typical Scandinavian model of welfare.

## **Conclusion<sup>3</sup>**

*At the end of the day, city politics and urban regeneration  
are all about the welfare of citizens.  
(Kristensen 1999: 15)*

Taking the four Scandinavian countries together, I concluded earlier that the Scandinavian model of welfare is still distinct, but becoming less so (Abrahamson 2005). Concentrating on developments during and since the 1990s, in Denmark the same conclusion is appropriate. Legal residency still entitles one to a range of basic social rights, provided one is both able and

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<sup>3</sup> This conclusion follows Abrahamson 2006.



willing to fulfil a set of corresponding obligations. Yet, entitlements are increasingly tied to the membership of various funds, contributions and contractual commitments, market solutions are becoming more and more common, and the liberal ideology of placing the individual at centre stage has become more and more widespread. Most changes have been of the first order kind, but the question remains: how many incremental changes can a system absorb without changing fundamentally? In other words, when do quantitative changes turn into qualitative ones, to employ the vocabulary of Marxism? Considering the two most important elements of welfare state provision, namely health care and pensions, a trend towards dualization is manifesting itself: social citizenship is becoming split between the universal coverage of basic entitlements and contributory and purely market-based provisions and services. From an institutional perspective, this is a decisive deviation from the ideal-typical Scandinavian welfare model, though taking into account outcomes in the form of employment and poverty rates, most Danes are still enjoying the security promised by their welfare regime. Nonetheless the trend is towards a stronger division in society between the middle classes and the marginalised sectors of the population. The former are enjoying integration into society by relying more on market and corporate solutions, while the latter are exposed to exclusionary processes because of their dependence upon public provisions that, whether deliberately or not, place them outside the mainstream. This situation is paralleled in the development of spatial location and housing policies. The middle classes live segregated in their home-owner suburbs, while the marginalized are confined to the ghettos of public housing estates.

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