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Denmark Combats Poverty Rates with Social Welfare Prioritization

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COPENHAGEN — The small country of Denmark is often viewed as a [model society](http://books.google.com/books?id=OXshEyRHrccC&pg=PA160&lpg=PA160&dq=how+denmark+combats+poverty&source=bl&ots=l7w8q0sSOW&sig=cZDL0ZE18TntefFF_hZPBHMVDS8&hl=en&sa=X&ved=0ahUKEwjq_rX_srHVAhWFLSYKHcKKDBMQ6AEILDAB#v=onepage&q&f=false) for metrics like gross national happiness and high employment rates. Their poverty reduction tactics are equally successful and foreign governments may be able to pick up a few tips on how Denmark combats poverty rates.

Overall employment in a country is one way to measure success of poverty reduction methods as well as minimum wage and wage dispersion statistics. According to an international group called Organization for Economic Co-operation and Development (OECD), Denmark’s employment rates are currently measured at around 72.8 percent placing Denmark 7th highest on a global level and well above the OECD global average. So, how does Denmark combat poverty rates nationally?

One element of the Danish government that contributes to their high living standards and low poverty rates is their prioritization of [social welfare](http://www.oecd.org/denmark/OECD-SocietyAtaGlance2014-Highlights-Denmark.pdf) and public expenditure. Unlike other countries where economic development and industrialization may take precedent to social programs, Danish public spending on social protection is the 2nd highest globally, accounting for 30.8 percent of the country’s GDP. Further, it comes as no surprise that they exceed most international averages in an area that is seen as a top priority.

Beyond prioritization of the issue, Denmark combats poverty rates through the unification and centralization of social programs. While workers unions often serve independently between companies in other countries, Denmark strives to unify workers unions for increased negotiation power.

Danish Employers’ Confederation was created in order to leverage wages among large employers for minimum wages, hours of work, cost of living compensation and certain social benefits. As a result, the Confederation has been able to establish unified systems across the entire country for daily allowances for sickness, maternity and work accidents.

Most large companies belong to this group and comply with the group’s negotiations in order to increase employee satisfaction and living standards across the board. The Confederation works to increase wages while maintaining employment rates for all Danes.

Beyond increasing wages for the middle class, the group also strives to increase wages for unskilled or low-skilled workers at a rate much higher than that of skilled workers. For example, the group was able to negotiate a 1 percent increase in total wages for skilled workers and a 2 percent increase in wages for untrained workers. This unproportionate increase further allows unskilled workers to escape from poverty and low standards of living in Denmark.

Unlike other countries that view poverty as an inevitable aspect of society, Denmark sees poverty as anachronistic, or belonging to an earlier period in time and something that no longer needs to exist in the current era. The country acknowledges that they need to maintain economic growth and competition but that this competition does not need to come at the expense of low class citizens.

In order to help lower class citizens become flexible, dependable and skilled workers, the Danish government sponsors vocational programs to train unskilled workers in the areas they wish to have salaried careers. By pairing these sponsored services with workers’ interest areas, workers are motivated to move up the social ladder and become active, skilled workers within the Danish economy.

Denmark combats poverty rates through prioritization of the national issue combined with the implementation of a number of social programs aimed at increasing employment and eliminating unlivable working wages. Central organization of these programs is key to establishing negotiating power among large employers meanwhile ensuring job security of workers. Further, training programs allow citizens to develop skill and passion for their work in order to contribute and participate in the economy.

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Referencing

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