

Social innovation in Denmark

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A need for social innovation?

Denmark is famous for its large and inclusive welfare system. Danes pay close to 50% of their income in taxes in return for having free access to hospitals, libraries, education at all levels, guaranteed nursery care from the age of six months, free homecare for the elderly and extensive financial support in case of unemployment, illness or... even just parenthood. The Danish welfare system takes care of everyone and maybe therefore the Danes have repeatedly been named the happiest people in the world.¹ So why does a country like Denmark need new solutions to social challenges coming from citizens themselves, third-sector organisations or social enterprises? Is there even a place for social innovation in a country like Denmark?

Social poverty: The flipside of the coin

Perhaps not surprisingly, the answer is yes. First, the number of people over the age of 65 is expected to rise from 1 million to 1.5 million over the next 35 years, while the number of people in the working age group will remain steady at 3.55 million.² This means the same tax income, but more people demanding government-paid financial support,

homecare and other expensive services. In other words, the Danish welfare system is beginning to have problems with providing a satisfactory level of support for its citizens. This tendency is reflected in the massive cut-downs in public sector spending per citizen that the Danes have witnessed over the past 5 or 6 years.

Second, the Danish welfare state might be one of the best in the world in terms of providing food on the table, clothes and roof over the head for its citizens. However, some critics argue that it has been less successful at providing its citizens with a sense of inclusion, purpose, connectedness and belonging. So, whereas material poverty is hard to find in Denmark, social poverty certainly is not. Isolated seniors, children and youngsters without social networks, and adults who do not feel they fit in anywhere are unfortunately also part of the Danish welfare story.

So yes, there is certainly a playing field for social innovation in Denmark.

Building blocks in place

Fortunately, many of the necessary building blocks for growing social innovation are already in place. Danes have a long history of taking care of each other and leaving no one behind. Denmark is known for its many sports, hobby and voluntary associations through which over 40% of the Danes do

¹ Helliwell, J, R Layard and J Sachs (eds.). 2012. World Happiness Report.

² Statistics Denmark. 2015. 'Population

² Statistics Denmark. 2015. 'Population projections: Population projections for the country'.

voluntary work on a regular basis.³ The public sector and societal institutions have historically been good at adapting to change.⁴ Danes also generally have faith in each other and in their institutions.⁵ All key ingredients for successful social innovation.

A different beast

Social innovation in Denmark (and the rest of Scandinavia for that matter) may look a little different from other parts of the world. In developing countries and many parts of South-east Europe, social innovation is mentioned in a context of compensating for failed institutions and governments. In countries with Anglo-Saxon or Central European welfare state models⁶, social innovation is often about mobilising forces outside the public sector to meet the needs of citizens who may not be covered by the taxpayer-financed welfare system. In Denmark, where institutions generally function well and where everyone receives the same amount and level of services, social innovation is a lot more about supplementing (or improving) existing public sector-led initiatives. A natural consequence of this is that the public sector plays a significant role in determining the occurrence, success and failure of social innovation. In other words, successful social innovation in

³ The National Volunteer Centre in Denmark. 2012. *Den frivillige sociale indsats: Frivilligrapport 2012*, Odense.

⁴ Ejersbo, N, C Greve. 2012. *Udviklingen i styringen af den offentlige sektor*, Copenhagen.

⁵ Svendsen, G. T., and G. L. H. Svendsen. 2010. Social capital and the welfare state. In *The Nation-State in Transformation: Economic Globalisation, Institutional Mediation and Political Values*, ed. M. Böss. Aarhus: Aarhus University Press.

⁶ Esping-Andersen, G. 1990. *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press.

Denmark, perhaps more than anywhere else in the world, requires a public sector that is willing to compromise its welfare monopoly, remove legislative barriers, promote the agenda, and collaborate with civil society actors to forge the social solutions of the future.

Developments at multiple levels

Policy-makers at all levels are slowly beginning to recognise the importance and potential of social innovation. Although it often happens under headings such as 'citizen engagement', 'promotion of social enterprises' and 'inclusion of volunteers' a lot of important initiatives have been set in motion over the past 4 or 5 years to promote the agenda. At the national level, multiple initiatives have been launched to provide enabling framework conditions and financial support for social enterprises. A National Centre for Social Enterprises has been set up to provide support and sparring for social entrepreneurs and enterprises. In addition, a 2014 education reform mandates the inclusion of local community actors and resources in the education of elementary school children.

At the regional and local government level, municipalities are increasingly prioritising the mobilisation and inclusion of non-public actors in addressing societal challenges. Around 1/3 of Danish Municipalities are members of the Danish Municipality Network on Social Innovation and an increasing number of them are experimenting with schemes such as social impact bonds, participatory budgeting, community-led development initiatives and schemes to support social enterprises.

In the third sector, civil society organisations continue to think up, test

and implement new effective schemes, and new actors, such as housing and sports associations, have started to embrace the role as social innovators. One civil society organisation currently making a significant impact in this field is the Centre for Social Responsibility (Center for Socialt Ansvar), which has specialised in thinking up, qualifying and spreading social innovation concepts to local communities throughout the country. The centre currently has a 'bank' of 15 tailor-made and validated social innovation concepts, which it works closely with municipalities and local civil society organisations to implement. One of these initiatives is the concept of 'Family Entrepreneurs' supporting and bringing together future or new parents to prepare and support them in their new role. Another initiative is 'Adult Friends for Kids' (Børns Voksenvenner) providing grown-up friends to children in need of role models or regular and stable contact with adults. The 'friends' are volunteers from the local community.

... but still a long way to go

All in all, a number of developments are certainly pointing in the direction of a still growing number of actors embracing social innovation in Denmark. Yet, there still seems to be a long way to go before actors outside the public sector are let into the arena to play an integrated role in shaping the solutions of the future. The public sector still tends to stick to its monopoly on detecting societal needs, formulating solutions and ultimately carrying them out. Moreover, most Danes still look to the government for solutions when they witness fellow citizens in need. So whereas intensions and policy initiatives may be in place in a number of areas, we are yet to see social innovation

transpire into systemic change and become an integrated part of the Danish welfare society.