

Society at a Glance 2016

A Spotlight on Youth

How does DENMARK compare?

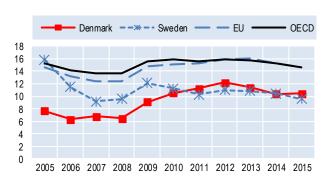


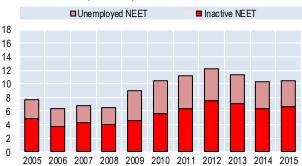


The 2016 edition of Society at a Glance examines social well-being and its trends across the OECD. The number of young people not in employment, education or training (NEETs) remains elevated in many countries since the crisis; the report therefore focusses on this group of young people examining the characteristics of those at risk of being NEET along with policies to help meet the challenge. This edition also includes many new youth-specific indicators on family formation, self-sufficiency, income and poverty, health and social cohesion.

The share of NEET youth has increased over the Great Recession, from relatively low levels

Percentage of 15-29-year-olds who are not in employment, education or training (NEET rate), 2005-2015





By activity status, Denmark

THE NEET SITUATION

The proportion of young people who are not in employment, education or training (the NEET) rose in Denmark during the Great Recession. Between 2008 and 2012 the Danish NEET rate doubled to over 12%, The NEET rate started declining in 2013, but in 2015 it still stood at above 10%. This is, however, well below the OECD average (15%) [Figure 1.5].

Danish young people benefit from a good apprenticeship system. About 9 % of all youth are in apprenticeship, in comparison to about 4% on average in other countries. This system is fostered by intensive career guidance, which benefits more youth than in any other OECD country [Figures 1.27] and 1.28]. Good and frequent career guidance also favours lower level of NEET rates.

Unemployed youth are well protected by the system of income support which combines generous benefits with mandatory participation in active labour market programmes. Twelve months

of work experience for a 20-years-old can bring entitlements to unemployment benefits for 2 years, the second longest entitlement period in the OECD after Iceland [Figure 1.20]

Denmark reports the 4th highest poverty rate for the youth (18-25) at 21% [Figures <u>5.4</u> and <u>5.6</u>]. This is despite an extensive system of income support (see below), and is related to the fact that most young people tend to live on their own quite early in life. Indeed about 2 out of 3 of young people between 15 and 29 year olds do not live with their parents, the second largest proportion after Canada. On average in the OECD about 60 % of youth still leave with their parents [Figure 3.10].

OVERVIEW OF OTHER SOCIAL INDICATORS

An ageing population

Fertility in Denmark stands at 1.69 children per women aged 15 to 49, which is close to the OECD average and below the population replacement level of 2.1 [Figure 3.4]. The old age dependency ratio, which is the number of people of retirement age (65+) per 100 people of working-age (20-64) stands at 33% which is higher than the OECD average (28%). This ratio is expected to reach almost 50% by 2060 [Figure 3.13].

An extensive system of social benefits

Danish gross public spending on social protection is the 5th highest in the OECD area, accounting for 28% of the GDP, compared with an OECD average of 21%. Spending on families and benefits paid to people of working age is higher in Denmark than in most other OECD countries [Figure 5.9].

The guaranteed minimum income for low-incomes in Denmark is above the poverty line when housing-related benefits are included. This minimum income is substantially above the average level of comparable last resort schemes in the OECD [Figure 5.8].

Income inequality and poverty

The system of taxes of transfers also allows to substantially mitigate inequality in market incomes. As a result, **Denmark reports a low level of income inequality**, the 3rd lowest after Iceland and Norway [Figures <u>5.1</u> and <u>5.2</u>].

Contrary to youth poverty, the overall population poverty rate is relatively low, at only 5%. Denmark has the 2nd lowest level of relative poverty in the OECD area, well below the 11.4% OECD average [Figure 5.4]. The system of public transfers is quite efficient at fighting against poverty. It keeps out of poverty over three quarters of the working-age adults over 30 who would be at risk of slipping below the poverty line without social transfers, well above the OECD average at 50% [Figure 1.24]

Employment

The maternal employment rate in Denmark is the highest in the OECD area at more than 80% compared to 66 % in the OECD. Even for mothers whose youngest child is aged 0-2, maternal employment is 76% compared to 53% on OECD average [Figure 1.13]. The availability and affordability of child care, as well as a quasi-universal participation of children in pre-primary education are important factors; Denmark reports the highest participation rates in childcare and pre-school services for 0-2 year olds (see PF3.2.A from the OECD Family Database).

Health

Denmark reported the largest decline over the last 15 years in daily smoking rates from about 30 to 17%. A large decline in alcohol consumption among adults has also been observed [Figures 6.11 and 6.12]. However, the percentage of 15-year-olds who have been drunk on two or more occasions is the highest in the OECD (boys and girls) at about 40%, twice the OECD average [Figure 6.14].

High trust, life satisfaction and political involvement

When asked to rate their general satisfaction with life on a scale from 0 to 10, Danes recorded a 7.5, which is the 2nd highest among OECD countries after Switzerland. This is also true among youth (measured at 15 years old) [Figures 7.1 and 7.2]. Danes also reported to be the most satisfied with work-life balance in the OECD [Figure 7.3].

Interpersonal trust is the highest reported in the OECD with about 75% of people reporting high trust in others compared to 36% in the OECD [Figure 7.4]. High trust levels are related to many positive social and economic outcomes, including growth.

Political interest is the highest where Denmark reports the lowest share of people saying not to be at all interested in politics: 3% compared to 20% in the OECD [Figure 7.9].

Contact:

OECD Social Policy Division, Directorate for Employment, Labour and Social Affairs

Stéphane Carcillo +33 (0)1 45 24 80 31 stephane.carcillo@oecd.org