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Lundgaard Andersen, Linda; Hulgård, Lars

Publication date:
2008

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (APA):

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Workplaces with an Inclusive Profile - and their Everyday Strategies.
Social Enterprises and Work Integration in Denmark

Linda Lundgaard Andersen and Lars Hulgård
Centre for Social Entrepreneurship
Roskilde University
Denmark

lla@ruc.dk & hulg@ruc.dk

Paper for International Workshop on
Ethnographies of the Social Economy
Cosin’s Hall, Palace Green
University of Durham
Social enterprises are usually serving a broad array of goals. As such, social enterprises are at the forefront of a societal trend in most European countries marked by its cross-organisational and cross-sectorial character. Social enterprises tend to blur up a number of frontiers between the three sectors constituting modern societies. The term ‘social entreprise’ “seems to blur exactly those frontiers which have been deliberately constructed – between action for the public good and private action, between social action as nonprofits and enterprises as private market organisations” (Evers, 2001:296). In Denmark the term "social enterprise" has often been used as metaphor for parts of the labour market policy and social policy aimed at increasing the social responsibility of "normal" private enterprises and rarely as a concept for combined social/participatory and economic activities within the social economy. Several reasons account for the lack of interest for understanding and enhancing the impact of the social economy and social enterprises: the lack of legal framework for social co-operatives, an inadequate rhetoric and a scepticism towards the combination of ‘social’ and ‘economy’ (Hulgård and Bisballe, 2004:4). This is, however gradually changing and both private enterprises and the public sector have become much more aware of the potentials and possibilities in the concept of social enterprises in Denmark.

Danish social enterprises have often been launched by third sector and local voluntary initiatives. The further consolidation has often established restrictions to the public sector and therefore the dependence on resources from the public sector is a crucial Danish characteristic. Nevertheless, social enterprises and social economies are important contributors to the production of social services and to the promotion of a broad range of integrative activities - both integration into the labour market, into everyday life and the civil society. The features of social economies in Denmark combine the resource mix and the multiple goal hypothesis. Hereby it is indicated that we are dealing with organisations that are difficult to place within any traditional framework distinguishing between a private sector acting for private benefit, a public sector acting for the public good and a civil sector enhancing forms of solidarity. Furthermore social enterprises often combine different motivational structures and incentives with empowerment objectives as well as competence- and skill-building.

A Social Enterprise with a Vague Institutional Configuration
Building upon a single case study - in the form of an extreme case - concerning the Danish social enterprise and social economy 'Broen' (henceforth: The Bridge) we perform an in-depth analysis of the institutional configuration, the managerial strategies and evaluations of objectives and results and the different agents’ perspectives on participation in the Bridge as a social enterprise. The Bridge was a quite successful social enterprise that nevertheless had to close down after a number of years due to lack of financial support.

The Bridge was situated in south western Denmark. It was foremost a community project aimed at providing different activities for the local community at large. It hosted a second-hand shop, a textile workshop and a café serving meals at very reasonable rates. The overall objective of community building was combined with goals of work integration, pursued through hiring people on social assistance and unemployment benefits for different work tasks within the organisation. The participants were offered different job experiences, according to their own preferences and ability, under the supervision of staff members from the organisation. The organisation foremost operated as a way of kick-starting individual processes of development and qualifications that led to an evaluation of criteria’s for reintegration of participants into the labour market or different educational programs.

The Bridge was quite a typical example of Danish social enterprises focusing on socially exposed citizens. It combined a high degree of innovation and creativity with a high degree of public subvention and constitutes thus a particular form of social entrepreneurship with both strengths and weaknesses. The Bridge combined an innovative drop-in centre for the most socially exposed groups in the local area, but it was also an organisation that applied to mainstream citizens in the local community. At the time when the project was the most dynamic, the Bridge consisted of a second hand shop, a workshop on textile work, a rental shop, a café, several social re-training initiatives and offers for social welfare recipients and long-term disability recipients, a regular gathering point for the cultural activities of local Turks and Kurds and finally an adult education centre offering courses to elder people. The project provided a large group of lonely and worn out people in the local community with a place to expand their social network. Due to unemployment benefits and social security, participants were offered work experience, job training and competence upgrading closely related to earlier experiences and actual preferences. The project also made a small income from sale of products and ser-
vices. This work integration profile is quite typical in Danish social enterprises, combining public subvention with workplace integration of marginalised social groups and a minor income (Hulgård, 2004).

The first time the Bridge was facing closure by the local politicians, the manager of the organisation succeeded, through a personal contact, to get a local Member of Parliament to engage himself in the municipal debate. The manager states:

"He stirred things up in such a way that the politics of the situation went haywire. What was believed (in the municipal council) to be agreed upon shutting down, they suddenly disagreed about. And that saved the place."

Thus, the first time round the Bridge was saved, however, not long after problems again occurred and the Bridge never achieved to unfold and consolidate itself as a company before it was again facing closure. One structural problem, which could explain this, was the fact that the organisation had an extraordinarily high degree of dependence on municipal funds. Accordingly, 81% of the revenue came from contracts with the public sector. This one-sidedness reoccurs when studying the Bridge from a network perspective as shown in the figure below.

Initially, the Bridge was established as a partnership between stakeholders from the public sector and local voluntary and educational organisations. The simple relation between establishment and funding, the large variety of activities such as a café, second hand shop, sewing workshop and several other workshops, drop-in centre and different kinds of job training initiatives and cultural activities plus a mainly public funding, were all factors part of a strong
profile but also making the Bridge vulnerable. By using the PCDO model, we can analyse how, on a structural and systematic level, four crucial conditions co-operate in social entre-

trepreneurships.

**PCDO model of social entrepreneurship**

Even though the social enterprise was actually successful in the development of a large range of deals (D), these were mostly based on contracts and agreements with one sole payer, namely the public authorities, in particular the municipality. When the local politicians decided to withdraw their commitment to The Bridge, there was not enough time to reconsider the context (C) within which the company was operating for the purpose of developing new opportunities (O) and contacts with people and networks (P), which could have lead to new agreements. In an introduction to the association’s last general meeting, the former manager of the Bridge described how it drained the resources of the project when all their energy had to be focused on persuading the local political system and that the Bridge was of great importance to all the people benefitting from its activities.

"And then we entered the too well known period where all the energy and activities are aimed at politicians to once again inform them of how and why the Bridge is so important for the many people benefitting from what the Bridge offers. We did not succeed in getting the centre-right majority in the municipality to at least maintain the decisions from just the year before, when we were promised subvention in 2003 and 2004."

(Source: the former web page of The Bridge, which is no longer accessible.)
The quotation illustrates the potential vulnerability of social enterprises. When a social enterprise is not working with a fully extended access to all four components of the PCDO model, it is more likely to have less power of resistance in a time of crisis. The local politicians have probably had genuine and legitimise reasons not to renew the agreement, however the case illustrates a general experience among local grassroots agents concerning a lack of transparency and legitimacy in the political decision-making process.

The structural outline of the model indicates initiatives that can change relations between the public and the third sector and thus prevent actual legitimacy crises on a local level. In the joint commitment and in the agreements about social enterprises and companies, public authorities and voluntary activities could aim to make these social initiatives and companies widen the range of relations, agreements, contracts and networks in order to increase the sustainability of the activities. Analyses of the balance between people (P), context (C), deals (D) and opportunities (O) contribute in fortifying sustainability in the long run.

Social enterprises as innovative lighthouses
The purpose in many social enterprises is to bring about productive activities featuring social value, often created in the crossing between civil society, private companies and the public sector. The social entrepreneurship – as the driving force in social enterprises - differs from the commercial entrepreneurship in the fact that it is driven from a wish to obtain social value instead of personal or shareholder-oriented value (Austin, Stephenson & Wei-Skillern, 2003). In international social science, an entrepreneur is a 'change agent', regardless of which social, political or economical relations are in play. Social entrepreneurs transcend the boundaries between the 'economic man’ acting for personal gain and the 'social man’ acting for the common good. In Denmark we often see experimental and even unpredictable approaches to social changes and these are developed within many areas of society: large parts of the private and public labour market, health care, sports, the area of social and human services, housing, leisure activities, voluntary work, etc. (see for example: Andersen, Neerup and Cauchi, 2007; Andersen & Ploeger, 2006; Hulgård, 2007; Henriksen, et.all. 2007; Juul Kristensen, 2007a,c). The creative, effective and innovative processes take place both inside organisations and associations: as intrapreneurs as well as outside: as entrepreneurs (Juul Kristensen, 2007b,c).
In a Danish context the concept of social enterprise and entrepreneurship embedded in a dynamic civil society has been proclaimed to be part of possible solutions of the still unsolved complicated problems in the welfare state. On the one hand these ambitions hold much potential; on the other hand they are not without problems. Many volunteers do not see themselves as solving politics, since only a minor part of the voluntary organisations and volunteerism wish to assume the position of spokesmen (Boje, Fridberg & Ibsen, 2006). At the same time, it appears as though private/public partnerships are not leaving the third sector unaffected and untouched but can lead to changes in the volunteer composition, in the particular organisational structures chosen and in the activities and profiles of volunteerism (Lundstrom & Wijkstrom, 2002; Kildal, 2000). In Denmark critical analyses have identified a tendency to top-down management and an increased focus on classical professionalism, which might contradict volunteerism that traditionally grows bottom-up with strong roots in populatism and independent administration (Lihme, 2000).

A Danish Culture of Experiments
The growing interest in social entrepreneurship and social enterprises is historically rooted in a specific Danish culture of experiments and developmental work. Throughout the 1980s and 1990s, the decade of the experimental strategies (the 1980s) was established and was soon to be followed by the decade of selective funds (1990s), all in all constituting a distinctive Danish culture of innovation. In the 1980s, more than 1 billion Danish kroner (DKK) were spent on experimental projects within the cultural, social and health care areas. The money came mainly from public funds and programmes and to a lesser degree from private foundations. These experimental programmes turned the focus to the development of local solutions. During these two decades, there has been a significant development in the discourse concerning social developmental initiatives, which has fundamentally defined the Danish discourse and practice for experimental projects and innovation. Among other things, considerable resources were given to the area of social housing, the employment area, efforts for troubled children and teenagers, to help-needing families, different groups amongst disabled and elders, to fundings within the area of narcotics and to improve the conditions at psychiatric hospitals and institutions for the homeless. The rearmament of the fund contributions in the 1990s was to a significant degree related to the highly increased economical resources established via a
political decided ‘social tax’ from 1990, which was entered by a broad majority of the political parties in the Danish parliament at the time and has been in function ever since iv.

From an international perspective, a discourse on social entrepreneurship and social economy emerged on the international scene in the 1990s. This discourse corresponded significantly with the Danish tradition for socio-economic and welfare political experiments. However, it remained interestingly unreflected and relatively unknown in the Danish context, even though neighbouring countries such as Sweden and Great Britain were deeply affected by the new discourse, also on a political level. Whether the current focus on social entrepreneurship might result in the reinforcement of local experimental activities cooperating with regional and central authorities in innovative and transgressing processes is difficult to judge. The way the socio-political and welfare discourses are employed at present, one could fear that a development within a methodology accentuating standardisation by means of central target management, best-practice formulas and the like having for instance cost reduction purposes could gain ground. If this should happen at the expense of the more open and enquiring experimental activities, it is a critical development. Thus there is a great challenge in maintaining and developing the open and enquiring approach of the experimental culture – not least in a decade that could be labelled the period of social entrepreneurship.

**Innovative organisational development**

Our initial analysis of the case study has shown that social enterprise calls for managing a patchwork of complicated issues. Organisational, managerial and pedagogic perspectives hold a central position often to be solved at the same time. Social enterprises in work integration must be established with a starting point in a social problem or a local need and supported by a voluntary commitment and foundation that both represents the incorporated resources that social enterprises benefit from as well as the risks involved. They have to quite fast to establish sustainable organisational structures and activities, which are suited both for their potential users/employees and the volunteers and which also employ a contemporary modern organisation. They have to create possibilities for member-based democracy giving influence and voices to different users, employees and volunteers, but also manage a reasonably efficient organisation. They have to be able to describe and assess their activities and be capable of reflecting on their theory of change on which basis they are working. And finally they
should preferably establish partnerships and long-term cooperation with public authorities and preferably also private companies. Thus, social enterprise necessitates expertise, competences and network – in addition to voluntary manpower.

But a social enterprise also provides a stimulating starting point for a flexible and innovative development of an organisation that is able to address the users’ needs and adapt to new challenges and objectives. The manager clearly stated that the many opportunities for business development not inhibited by regulations or legal procedures to be followed led to a more inventive and entrepreneurial culture.

“The positive about this place relates to our affiliation. If we come up with new ideas then we are free to implement these – it we have the funding. If we want to do an excursion or another new initiative we can do it. Nobody controls us. I refer to the board and that’s it. The adverse effect on the running of the Bridge is about the limited financial resources. Some of our ideas – for instance if we would like to have the local people to join us for a dancing evening every week, we are not able to do this due to our economy. Or if we would like to give lectures then we need to be able to provide money for that too.”

However, the Bridge was seriously affected by the vague and non-supportative business and organisational set-up. Potential conflicts with the local private enterprises, lack of long term commitment from the public sector and a huge work load all over time drained the manager, her staff and volunteers for the necessary energy and drive.

“We have had some income increase. We did a new enterprise where we did theatre make up. We had a significant increase the first year, but the second year stagnated because we had emptied the market. Our rental shop has its ups and downs depending on how much PR we do. We have been somewhat cautious because we worry that someone would accuse us of distortion of competition. The private enterprises are not very happy with us. Many local social enterprises have had such problems. They are not very likely to help social enterprises that aim at getting individuals in job-activation. They see us as competitors getting funded by the public. So the director of the local labour market administration has offered his help if such a case should turn up.”

The manager pictured the Bridge like a house of cards – it didn’t take much of an effort to make it collapse. The necessary resources that any business needs to invest in innovative developing are coerced into licking the wounds after the latest struggle. It was a continual experience that when the Bridge felt afloat the authorities again reminded them that they were
only on the drawing board. A more long-term commitment - 4-6 years - based on several partners would have been a fare more rational and adequate social agreement.

Management

The manager at the Bridge described how she at first had too high (emotional) expectations for the employee and users that she have had to readjust.

"In my early days in this project I thought that we could turn it into some kind of after-school centre displaying an emotional sense of belonging. But I gradually learned that I became quite disappointed when people left the place or didn’t accept what was offered. That was because I didn’t realize that I was in fact the employer. Even though I in person don’t pay their wage. I provide good working conditions, some funny experiences given that I, as a person, run these things here. Or that I am in front of it all. I truly don’t believe that a public business and the like would take on the tasks that I sometimes have to do. But that is a part of the way things work here. This is why I am not only the boss. I am just as much a social worker.”

The managerial profile unfolded in the interview illustrates the clashes of several management philosophies and practices. The visible and authoritative manager stand out distinctly, given that the manager seemed to function through her physical, moral and personal presence. The manager appeared to be a good role model – a lighthouse taking the lead – not the least when problems arise or crises were under way. When the manager was absent, the teamwork and focus in different project-activities immediately weakened – and this constituted a serious problem because the Bridge wished to work with empowerment of its users. However, the manager also positioned herself as a different manager: a hybrid between a social worker and a manager. She had the ideal of making use of a delegating and democratically management style, which faced quite a number of difficulties in its realisation since the user and volunteer group was of a very complex composition and not everyone could fulfil the demands this raised. Managing a social enterprise consisting of work integration, voluntary activities, community-related activities, a café, etc. involved quite an amount of professional investments, relational work as well as emotional and personal interaction (Andersen, 2001; Lundgaard Andersen, 2005). All these components were crucial for the quite positive outcome the Bridge was able to turn out.

Sustainability
Social enterprises with a strong interface of volunteerism have a distinct focus on participatory democracy and member influence and these features are also characteristic for the Bridge. Enterprises like the Bridge depend on different forms of sustainability. Social sustainability denotes the social adhesive tying different agents from the voluntary organisation, from the staff and the local citizens together thereby constituting the basis for reproducing and developing their future profile of activities. Local sustainability ensures a continued local interest from a differentiated group of local agents that have to support the social enterprise to secure growth. Whereas project sustainability implicates reliable user needs towards the social enterprise. In the case of the Bridge, the social, local and project sustainability was fairly well anchored, whereas the weakness was the economical sustainability (Lundgaard Andersen, Neerup & Cauchi, 2007). However, also the social sustainability faced some difficulties. The manager described how the level of activity dropped, the minute she was absent. The users, employees and the volunteers had difficulties developing and maintaining responsibility when the manager was not present. But the manager also described this phenomenon within a long developmental horizon, which she consistently applied on objectives, working methods and participants of the Bridge. She spoke of the Bridge as individual and professional developmental processes of users, employees and volunteers, stressing the necessity of developing a labour identity, daily work practice and hereby creating an inclusive but also productive workplace. The concept of the Bridge embraced various conceptual practices: the development of a socio-political awareness and knowledge, ‘enlightenment’ and cultivation in the Danish learning tradition of Grundtvig, empowerment and democracy, competence development, professional training and personal growth. This complicated encounter encompassing a multitude of users, employees and volunteers therefore accentuates a process perspective juxtaposed with a product perspective – and the manager precisely points to the complicated business when trying to outline performance indicators and measurement standards.

The institutional practice also included the concept of ‘public governance’, where various groups of citizens, professionals, public authorities and private companies work as negotiating agents in the development and evaluation of specific political and practical arenas (Bovaird & Löffler 2003; Bovaird, 2005). The Bridge was part of a series of continuous discussions and negotiations with the local administration concerning the implementation of the labour market and employment objectives for the municipality. Thus, the Bridge was engaged in governance
processes planning, negotiating and evaluating specific products of social services and was in the initial phases of developing a public-private partnership.

**Agents: users, volunteers and professionals**

The Bridge had a broad and varied group of users, volunteers and employees. The different activities attracted both socio-economically disadvantaged as well as advantaged individuals and were thus able to establish an unusual learning space with a mix of different participants. The manager described it this way:

"The Bridge is incorporated in what is known as the Danish tradition of a ‘Folkehus’ (People’s house) bringing the atmosphere and group identity specific to this. Then we are a 'community house' for the local people as well. And this is an obstacle. When people join us and want to be part of the Bridge, they are immediately faced with the many practical functions. For one thing to make this café work every day...what happens is that they quickly become volunteers. In reality they are users. But the individual person feels better when being a volunteer. This means that some of the newcomers at once become part of the staff - whereas others become users when they use the sewing workshop to sew their clothes. Some would want to fix something; others would want to learn something. All in all around 54 persons enter the house every day."

The social enterprise applied quite a sophisticated understanding of the dynamic balance between users’ in passive and consuming positions versus volunteers in active and creative positions. Apparently, the Bridge had composed their activities in ways that in a logical and straightforward way facilitated newcomers to transcend the borderline between the ‘takers and the givers’. Thus, the Bridge had developed an activating and co-creative social learning space, which in its culture and in its economical overall plan, in its opportunities of activities, its engagement, its community and its individual focus has provided many participants with a range of opportunities for personal end professional development (Andersen and Ahrenkiel, 2003).

The importance of linking work integration with volunteerism relates to the possibilities of motivating the clients and for the intentional profile of social enterprise.

"One thing is that it looks good on the paper to have volunteers. Another thing is that it is an essential moral message to send to the activated clients: that some individuals actually are here of their own free will. Even though the clients don’t pose the attitude
that this is forced labour- there is an element of force in it. So the fact that the clients see that many volunteers slaves – just like me but that is different – and that the volunteers never have a sick day! That makes an impression.”

The demanding outcome objectives also lead to further problems and challenges. A differentiated group of participants covering long-term benefit recipients in retraining, early retirement pensioners eager to learn, autonomous citizens with creative hobbies and citizens from different ethnic minorities – all necessitates a differentiated and adapted pedagogical, collaborative and professional strategy. On the one hand this was brought to a considerable amount of success. On the other hand such an elaborated strategy and activity-profile required a certain amount of employee stability, of quality-assessment, of voluntary commitment and an economically viable structure. The ability of social innovation and user-participation was the greatest asset of the Bridge, However, the turmoil of everyday life didn’t provide the resources and the time to further develop the innovative combination of volunteerism, work integration and service production. Unfortunately then, the social enterprise was not able to develop their core output and it quickly turned out that also organisational, economical and network structures were just as important.

Professionalism

Furthermore, it is interesting to identify the interplay between the theory of professions and the professional bodies and the more popular dimensions of the ideology, knowledge base and practices at the Bridge. Classic definitions of theory of professions and theory of science point out that formal knowledge acts as legitimatization and provide access to certain job positions, privileges and wage levels. The educational system provides the individuals with diplomas and certificates as well as develops a professional identity where the individuals acquire a knowledge base for professional work activities (Salling Olesen 2001; Salling Olesen & Weber, 2001; Hjort og Weber, 2004). This definition, however, is not adequate when defining social enterprise since these organisations in their structural foundation and work division transcends the classic professional categories and definitions. Social enterprise and social entrepreneurship is a much more hybrid phenomenon encompassing different occupations, managers, autodidacts, clients, users and citizens in patchwork of paid and unpaid positions. The hybrid of professional and voluntary social work in social enterprise is more adequate identified and discussed on the basis of five conditions inspired by theory of professions: 1/ the proportions of paid employees, 2/ the defined methodical approaches, 3/ an occupational
community among the employees and volunteers, 4/ competency development of employees and volunteers and 5/ development of the organisation’s own visibility towards users, the public and private sector and other voluntary associations. The Bridge had paid employees: the manager and partially a few others as well, it was founded on several defined pedagogical, social and community approaches, it had an approach that was inspired by enlightenment and critical pedagogy, combined with an empowerment approach attempting to create a space of critical social and vocational learning and training leading to social and critical understanding and conduct. The most significant weakness was probably the lack of visibility towards a broader range of external agents – that had a significant effect on their ability of survival.

**Social Enterprise in Denmark**

The case study analysis – and the larger picture of work integration social enterprises in Denmark - clearly demonstrates how social enterprises in Denmark find themselves in a paradox. On the one hand they have had quite a success addressing complicated welfare state problems in the guise of marginalised individuals on the edge of society. They have developed adequate methods, incentives and results – that are client-sensitive, professional viable, market manoeuvrable and financially reasonable. On the other hand they are not provided with access to adequate structural, financial, political and organisational conditions and partnerships. It is natural to understand this as the shady side of the Danish experimental project culture in the sense that the public sector not yet have faced the challenge and the responsibility that public-private partnerships including the civil society implies. The analyses then, points to how the third sector’s institutional capacity in Denmark is fare from developed into viable models abreast of the capacity that the existing social enterprises are capable of. The social enterprises are faced with the dilemma to navigate between two business models: to be partly referred to and evaluated by the for-profit model on the non-profit condition.

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1 The case is based on empirical data stemming from a research project by Lars Hulgård and Thomas Bisballe, who in 2004 served as one of several sub-projects in the European research project EMES studying social enterprises and social entrepreneurship in a number of European countries. Several interviews were conducted with the manager of the Bridge focusing on the enterprises’s social capital and the importance for its activities, development potential, local and national strategy, group of participants and group composition, local and private partners and the organisation’s conceptual basis.

2 The Danish Ministry of Education estimates the number of voluntary organisations in Denmark to be more than 83.000 local associations, 6.200 foundations, just under 8.000 independent organisation and about 3.000 national organisations. A third of the Danish population carry out volunteer work (see *Danmarks strategi for livslang læring*, April 2007).

3 This happened f.ex on the basis of initiatives in the City Council, of which also immigrant policy objectives were a part as well as issues concerning the unemployment policy, different re-training initiatives, etc. Thus in the middle of the 1990s, calculations showed that the Ministry of Social Affairs in the period of 1994-97 managed a total fund of money with a margin of expenditure of 1.374 billion Danish kroner (DKK). This implies that in the period of just four to five years in the 1990s, more funds were spent on experimental and developmental projects within the socio-political sphere than the total funds spent in the ‘decade of experimental strategies’.

4 Every year, 0.3% of the annual revalorization of the transfer incomes are frozen from the direct disbursement to the recipients for the benefit of a ‘social tax’, which is distributed every year in agreement among the parties involved in the political accord in the Danish parliament. With a modest beginning in 1992-93, the Ministry of Social Affairs’ share of these funds had reached almost 900 million Danish kroner in 1995, which through an integrated automatic control was increased to approximately 1.5 billion DKK in 1997 and approximately 2.9 billion DKK in 2000 and so on. Thus in 2000, the Ministry of Social Affairs had 1.162 billion DKK at their disposal from the ‘social tax’ to be used for different, more or less fixed funds, central and local initiatives, grants for running expences of individual initiatives, etc. Adding to this was a pool of about 300 million DKK from the regular Finance Act plus funds from the State football pools and lottery allocated for social purposes.