



# The Covid-19 pandemic in Denmark

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Denmark is a Scandinavian country with approx. 5.8 million inhabitants. Denmark experienced the first lock-down in March-June 2020. In September 2020 a second corona-wave hit Denmark and a second lockdown began in December 2020.

## General social situation

The approach of the state was to extend a safety net for – ‘hold the hand under’ – employees and companies during the crisis. Initiatives included massive outpayments in the form of salary compensation schemes, help packages to cover general costs, stimulation of the economy, and funding for recovery initiatives.

Before covid-19, the unemployment rate in Denmark was at 3,4%, equalling approx. 2.8 million persons in employment ([Statistics Denmark Labour Force Survey](#)). Unemployment increased to 5,3% in June 2020, fell again to 4,3% in December 2020 ([Statistic Denmark Unemployment rates 2019-2020](#)), and is slowly rising to 4,4% in January 2021 ([Statistic Denmark News](#)).

There have been no changes to the regulation of termination of employment during covid-19. A legal framework allowing dismissal of employees due to circumstances relating to the company, such as lack of work, was already in place. A number of initiatives were put in place to reduce redundancies ([Ministry of employment overview](#)). Tripartite agreements provided two salary-compensation packages ([Tripartite agreement of 14 March 2020](#), in force from March through August 2020; [Tripartite agreement of 10 December 2020](#), in force from December 2020 to restrictions are relaxed). A job-distribution scheme was made generally available ([Tripartite agreement of August 2020](#) and [Statutory act no 1336 of 11/09/2020](#) in force from September 2020 to December 2021). Help-packages reimbursing costs for general expenses and losses due to cancelled events, were available for companies, self-employed, and freelancers ([Ministry of Business guide](#)). Apprenticeships and other education positions were protected with a tripartite agreement providing reimbursement of 75% of costs ([Tripartite agreement of 25 March 2020](#) in place for March-December 2020).

Homeworking and work-life balance was not specifically addressed. The societal norm is, that both parents in a family work, often full-time, i.e., 37 hours per week. Full-time state subsidised childcare is available, as well as before and after school care for schoolchildren up to year 4 (10 years old). During covid-19 childcare and schools (all ages) were closed for 4 weeks during the first lockdown and schools (all ages) were closed for 5 weeks during the second lockdown. During the lockdown, employers were entitled to demand the usual availability and productivity of employees, regardless of the family situation. This was addressed politically, as the first re-opening in early April 2020 specifically opened childcare for 0-6-year-olds and school for year 0 to 4. In the second

lockdown, childcare was not closed down, and the first re-opening was for school-children age 6-10. For employees, an additional 10 days of parental leave benefits per child was made available, to be taken when children were temporarily sent home from childcare or school, due to risk of infection ([Tripartite agreement of 19 September 2020](#) and [Statutory act 1427 of 29/09/2020](#) in force from September 2020 to March 2021). Regulation of health and safety when working from home is in place in the, but some trade unions indicate, it was not always adhered to.

The general framework for working time continued to apply during covid-19. A force majeure provision in the Working Environment Act was activated, with the effect that daily and weekly rest periods could be derogated from by employers experiencing extraordinary workloads due to covid-19 ([Statutory act no 674 of 25 May 2020](#) and [Minister of Employment message](#)). It was a temporary measure only, and employees are entitled to receive compensating rest periods as soon as possible. With regards to holidays, employers were allowed to postpone notified and unnotified holidays to the next holiday period due to significant extraordinary circumstances of business caused by covid-19 ([Statutory act no 348 of 02/04/2020](#)). Employees were entitled to be compensated for any economic losses due to the postponement. In addition, employers were entitled to order employees, who were covered by the salary compensation scheme, to take 5 days of holidays with 1 days' notice in the first lockdown period, and 5 days again during the second lockdown period ([Statutory act no 958 of 26 June 2020](#) and [Tripartite agreement of 26 March 2020](#)).

During covid-19 it was difficult to get employment. All social security measures were extended so the periods of covid-19 did not use the right to benefits, and new measures were introduced. The maximum period of being entitled to receive sick leave benefits were extended ([Amendment act no 275 of 25/03/2020](#)). Sick leave benefits were made available to employees in particular risk of serious complications if infected with covid-19, and who for this reason is not able to be physically at the work place or work from home. This included employees, who live in the same household and has a family connection to persons, who have increased risk of complications ([Amendment act no 657 of 29/05/2020](#), [National Health Authority guideline on who is at risk](#)). For unemployed persons receiving cash benefits, the requirement of working 225 hours in order to become eligible for a new period of cash benefits was suspended ([Amendment act no 473 of 22 April 2020](#)). For unemployed persons receiving unemployment benefits, the periods of receiving benefits were extended ([Amendment act no 274 of 26/03/2020](#)). For students in tertiary education all education activities continued on-line and grants could be continued ([Education and research authority overview](#)). In addition to the existing student loan options, all students could take out extra loans during the covid-19 months ([Amendment act no 328 of 31 March 2020](#)), and students at the end of their studies can in addition take out completion loans ([Amendment act no 575 of 5 May 2020](#)). The measures are extended into 2021 ([Executive order no 113 of 29 January 2021](#) and [Executive order no 282 of 26/02/2021](#)).

Several health and safety measures aiming a reducing risk of Covid-19 infections were introduced ([Danish Working Environment Authority general overview](#)). All employers are obliged to follow National Health Authority guidelines to reduce risk of exposure to covid-19, to continuously map the risk for employees to be exposed to covid-19, and to initiate specific actions to counteract any risks identified. Employers can since November 2020 demand that employees are tested for coronavirus and be informed about the test result ([Statutory act no 1641 of 19/11/2020](#)). Specific rules are issued for accommodation organised by the employer ([Statutory act no 159 of 2 February 2021](#)). The National Health Authorities has in addition developed a range of industry specific guidelines addressing covid-19 risks ([Danish Working Environment Authority overview of industry specific guidelines](#)). The Danish Working Environment Authority carries out targeted inspections on adherence to covid-19 guidelines ([Minister of employment notice](#) April 2020). Employers, who are not protecting employees from risk of infections, may be ordered to initiate specific

countermeasures, may be issued with a fine, or the work-place may be temporarily closed ([Minister of employment notice November 2020](#)). For hospitals, retirement homes and homes for socially vulnerable specifically, the National Health Authority has issued several sets of guidelines to protect persons working in close proximity with Covid-19 patients and citizens ([National Health Authority guidelines for the health-sector](#) and [the social- and eldercare sector](#)). In addition, hospital staff must be tested regularly/weekly ([Ministry of Health notice July 2020](#)). The National Health Authority has issued guidelines on the organisation of work for persons, who are in particular risk of serious complications if infected with covid-19 ([National Health authority guideline for considerations of persons at risk](#)). The guideline applies also to organisation of work for employees, who live with persons, who are at particular risk. In the health-, social- and elder-sector persons at risk may not come into close contact with persons infected with or suspected of being infected with covid-19. If relocation is not possible, the employee can be sent home to work. If working from home is not possible, the employee is lawfully absent, and is entitled to sick leave benefits ([Amendment act no 657 of 20/05/2020](#)). The same applies to employees, who live with persons at risk. A general practitioner assesses whether an employee is in such serious risk, that he or she should not physically be at the work place.

Collective rights were not affected by covid-19. Collective agreements, that were due to be bargained were negotiated and concluded during covid-19. In addition, during covid-19 tripartite agreements played an essential role in ensuring fast, efficient and balanced solutions for employees and companies. This included the salary compensation packages, the job-distribution schemes, and additional parental leave benefits.

The usual framework prohibiting discrimination in employment continued to apply. It is expected that more terminations on breach of discrimination legislation has taken place during covid-19, but evidence is still forthcoming.

### **Efficient measures**

The overall strategy of the social partners, the government and parliament – to ‘hold the hand under’ the Danish economy – supported employment and social security during the crisis. Surveys among companies indicate, that the most important factor for supporting their production during the crisis, was the help packages.

Salary compensation packages contributed significantly to reduce dismissals. As an indicator, the salary compensation package supported more than 240.000 jobs in May 2020 ([Business Authority overview](#)). Salary compensation packages were available to companies expecting to terminate 50 employees, or 30% of employees. Compensation from the state constituted 90% of salaries for each full-time employee who would otherwise be dismissed due to lack of work (75% for white collar workers), capped at maximum DKK 30.000 (EURO 4.000) per month. Employers paid the remaining 10% of the salaries (25% for white-collar workers). Employees contributed with 5 days of holidays (or overtime in lieu or days off without pay).

Job-distribution schemes contributed considerably. In September 2020 and still in January 2021, approx 10.000 persons participated in a job distribution scheme. (Ministry of employment [December 2020](#) and [February 2021](#)). Job-distribution, a scheme already available to some employers before covid-19, was in August 2020 extended to all employers. As an alternative to dismissals due to lack of work, job-distribution allows employers to distribute available work among all employees, with the effect that the working hours of employees are reduced with up to 80%. Job-distribution can be initiated with 1 day’s notice and for a period of maximum 4 months. For the reduced hours, employees receive increased unemployment benefits at approx. 120% of the

maximum benefit rates. Employees can also participate in upskilling courses in the reduced working hours and will receive unemployment benefits at an increased rate. Employees are entitled to re-enter their normal job at the end of the period. During the period, employers are prohibited from using temporary agency workers in the affected units and from employing new staff in subsidised positions.

Salary compensation for apprenticeships entailed, that the state provided 75% subsidies on new trainee- and apprenticeship positions in the period 1 May to 31 December 2020. This resulted in an increase in apprenticeships in the private sector in 2020 compared to 2019 ([Danish Confederation of Employers press release, February 2021](#)).

Upskilling courses were made available online, as an alternative to dismissal of employees in heavily affected industries, where employers received reimbursement for the salaries of employees following the courses. Short formal upskilling courses within the areas of e.g. PCR testing, covid-19 contact tracing and hygiene were made available for unemployed as well as employed ([Ministry of employment, measures for upskilling in employment](#)). This measure reduced redundancies in the affected industries.

An overall upskilling strategy was initiated, which affected approx. 40% of all persons, who lost their jobs due to covid-19 ([Ministry of employment overview of upskilling for unemployed](#)). The measure did not reduce redundancies but helped unemployed persons gain skills needed for employment in the available jobs during and after covid-19. Unemployment benefits were increased to 110%, compared to normally 80% when taking courses or short educations within areas with a serious lack of skilled labour, educations in health care and in a 'green' transformation of industry.

A number of help-packages were initiated to keep companies economically afloat. In April 2020 more than 71.000 companies had applied for funding from the help-packages, and the government estimates, that the help packages will 'keep the hand under' at least 100.000 Danish jobs ([Ministry of employment press release, April 2020](#)). Companies experiencing a decline in income of more than 40%, as well as self-employed with a decline in income of more than 30%, could receive compensation for general expenses ([Parliament agreement of 27 March 2020 for companies, Parliament agreement of 18 March 2020 for self-employed and freelancers](#)). Freelancers, as well as persons earn income from employment and freelance work, who used to earn a minimum of 10.000 DKK per month were eligible for salary compensation.

Financing initiatives were put in place to support industries particularly hard struck by the covid-19. The government estimates, that the financing initiatives have created 79.000 jobs in 2020, and will create 54.000 jobs in 2021 and 44.000 jobs in 2022 ([Ministry of finance, fact sheet](#)). Financing was made available for initiatives e.g. supporting green or digital transformation or exploring new export initiatives.

### **Ongoing deficiencies in the social protection**

Workers in fixed-term or part-time positions and temporary agency workers, are generally more at risk of losing their employment due to economic circumstances of the employer, and this proved true also during covid-19. In the hotel- and restaurant industry 1 in 5 employees working less than 15 hours per week, and approx. 37% of the fixed-term employees lost their jobs in early 2020 compared to early 2019 ([Ilsøe and Larsen 2020](#)). In the same period, 1 in 5 industry workers in a fixed-term position, and 40% of the self-employed in the creative industry lost their jobs. Likewise, employees on 0-hour contracts, who are generally at risk with no guaranteed working hours and no notice period in case of termination, also lost their income from day to day during covid-19.

Persons with few or no guaranteed weekly working hours, or persons with fluctuating income levels, such as freelancers, temporary agency workers, part-time employees, employees on 0-hour contracts and platform workers regardless of status, are generally at risk of not meeting the criteria for being eligible for social security measures ([Munkholm 2021](#)). This deficiency of the social security safety-net for persons in atypical employment became even more apparent during the covid-19 crisis.

In addition, persons performing work on atypical terms also had trouble being eligible for the salary compensation schemes and the help packages due to the irregular nature of their working hours or income ([Ilsøe and Larsen 2020](#)). This also applied to persons performing work on non-standard terms in the platform industry regardless of their status. For platform workers, who have fluctuating or low income and working hours, the salary compensation packages as employed, self-employed or freelancer were beyond reach ([Ilsøe and Larsen 2020a](#)).

### **Final remarks**

The most significant change to work during the covid-19 crisis is that so many employees worked from home to a degree never seen before. This created not only negative experiences, but for some employees as well as employers it had positive outcomes, making it an interesting issue to explore further also after covid-19.

It is not clear in Danish surveys, how the situation of working at home with smaller children has affected gender inequality ([Andersen et al 2020](#); [Bendixen and Hall 2020](#)). Some surveys even indicate that the experiences in families with homeworking could be a driver for improved gender-balance ([Kvinfo 2020](#)).

It was particularly notable, that the help packages were constructed to cover a wide range of ways of performing work. The help packages were not restricted to full-time or permanent positions, but were continuously updated and adjusted with a view to extent economic help to all forms of income affected by covid-19. This wide approach, albeit with flaws, in essence recognises that persons in all forms of work relationships are in need of income protection. This could be a significant starting point for addressing income protection for persons in non-standard work also after covid-19.

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