

How Good Governance on Welfare System Contributes in Creating Sustainable Peace: Denmark Welfare System

**Kennedy Yeremia Alexander Abraham Hutagaol¹⁾, Pujowidodo²⁾, Halomoan Freddy Sitinjak Alexandra³⁾,
Achmed Sukendro⁴⁾**

^{1,2,3,4)} Peace and Conflict Resolution Study Program/Faculty of National Security, Indonesia Defense University,
Indonesia

*Corresponding Author

Email: kennedyyeremiaah@gmail.com, pujowidodo78@gmail.com, halomoansitinjak88@gmail.com,
achmedsukendro@gmail.com.

Abstract

This research is focused on peacemaking through welfare efforts using the Denmark welfare system model. Understanding the correlation of peace and welfare through Karl Marx's theory. Welfare system is projected to ensuring the living quality of the citizen. However, not every country and its welfare system are able to bring result. Welfare system is a viable method in ensuring access to citizens, the functioning of the system however relies heavily in the government. The main purpose of the research is understanding how the good governance on welfare system contributes in creating a sustainable peace. The research method utilized in this research is the qualitative method, specifically the intrinsic case study method. Focusing and deep understanding of the specific case chosen. The data collected will be secondary data through literature studies. This research will use the concept of positive peace and good government as well as the human needs theoretical framework by Maslow. The writer argues that the Denmark welfare system is successful because of how the government is accountable and puts the people as the center of the idea, making the Denmark welfare system peaceful while also successful. The result of this research is that the government does achieve high rank in good governance, that the system is impactful, and that the system works in a cycle making it sustainably peaceful.

Keywords: *Denmark Welfare System, Good Governance, Human Needs, Sustainable Peace*

INTRODUCTION

Welfare, according to Oxford Dictionary, refers to the general health, happiness and safety of a person, an animal, or a group. In the case of companies, welfare is important to achieve so that employees gain peace of mind at work, loyalty or a sense of security working in the company, more motivation at work, and ultimately help increase overall productivity and hence achieving profits and company goals (Hidayat & Sungkono, 2023). Public welfare refers specifically to the welfare decided and mainly financed by the public sector (Greve, 2018.) (Greve, 2018). In context of governance, prosperity is a condition set as a national goal. The government acts as the top actor in creating public welfare, considering the power held in creating policies and programs that support public welfare. Achieving public welfare is aligned with the increase in economic capability, the quality of human resources and stability in government. The more political and economically stable the country means there is less conflict.

Welfare closely relates to peace studies. Understanding that conflict is something bound to happen. The main and first thing that become a factor in conflict is difference. Starting from difference, things could escalate into dispute, conflict and lastly war. Social conflict could simply be understood as the conflictual situation within citizen of a nation. One of the social conflict theories is through the idea of Karl Marx which understood conflict is a perpetual condition where society compete for limited resources (Stillman, 1983). Welfare policy or system is one method in solving the issue of limited, or limited access, resources. Thus, can be understood that

an effort in distributing equal resource is an effort in preventing social conflict hence an effort in creating peaceful condition. However, many welfare systems have failed to bring results. Responsible government is also a key factor in how the system works, as they are the highest power in regulation and enforcements.

Research conducted by Taydas & Peksen (2012) finds that welfare spending lowers the risk of civil conflicts and that the redistribution of state resources contributes to the maintenance of civil peace. Largely because social welfare programs are powerful and effective redistributive instruments that can decrease the vulnerability of marginalized citizens and improve various facets of citizens' livelihoods. Welfare spending gives a clear indication of the state's willingness and interest in citizens' well-being, and this perception influences peoples' opportunity structures and propensities for violence. Generous social policies and broad redistribution signal to citizens that the 'government cares' about them and the conditions in which they live. The insufficient provision of public goods and social services can have the opposite effect: it hurts the legitimacy and credibility of the state and increases the likelihood of internal conflict.

Denmark is an interesting country to research. As a country known for its excellence in education, healthcare, public wellbeing, peaceful environment, and some other national achievements. It also hinted that the Denmark citizen is enjoying living in the country. Proven by several years of Denmark achieving the title of happiest country in the world, how Denmark become the best country in raising women and children (Ministry of Foreign Affairs of Denmark). Making Denmark also an ideal object to be researched in the field of peace studies. Through pre research, the writer founded that one of the major factors for Denmark achieving its current condition is through its welfare system. The system is well-known for its impact on the Danish society and for the quality in every sector acknowledged globally. This research is carried to understand how the welfare system works in promoting peace, specifically the Denmark welfare system model.

RESEARCH METHODS

This research utilizes qualitative research method, specifically the intrinsic case study method. Intrinsic case study refers to research in which the focus is on the case itself, because the case presents an unusual or unique situation (Cresswell, 2013). The Denmark welfare system itself is a unique system. First reason is that every country employs a different welfare system adjusting to each their culture, political trait, and state capability, the Denmark welfare system also includes unique principles and methods in achieving goals. The other reason is that Denmark welfare system is proven several times to be successful and considered one of the best, will be discussed further in analysis.

The data collection technique that will be used is a literature study. It is a technique of collecting secondary data through writing in the form of books, journals, scientific articles, official government information pages and credible mass media both printed and online.

First concept that will be used in this research is positive peace. According to Johan Galtung, peace is divided into two, namely Positive Peace and Negative Peace. Negative Peace is a concept that explains a condition without violence. Meanwhile, Positive Peace is a condition without structural and cultural violence, a peace that is supported by the creation of a peaceful system and process. Positive Structural Peace means changing the approach from penetration to dialogue, from segmentation to integration, from fragmentation to solidarity, from marginalization to participation. Positive Cultural Peace changes justifications for violence into justifications for peace in religion, law, ideology, language, arts, and science, in schools, universities and in the media (Galtung, 1996). Sustainable peace is simply understood as

constant and long-lasting condition of peace. Emphasizing on process in first achieving and then maintaining the peaceful condition, therefore closely related with positive peace.



Illustration 1: Maslow's Human Needs Hierarchy Theory

Source: McLeod, S. "Maslow's Hierarchy of Needs." 24 January 2024

Main theory used in this research is Human Needs Theory. Maslow (1987) creates the Human Needs Hierarchy Theory. One that classified human needs into classes and stages. Maslow states that man is perpetually wanting animal. That there are no needs or drive that is considered isolated or discrete, that one drive is related to the satisfaction or dissatisfaction to the other. Thus, the main argument of this theory is that lower stages of needs must be satisfied before the higher needs could be satisfied. Maslow then made five classifications of needs, consecutively from bottom, physiological, safety, love, esteem, and self-actualization. Those need to be satisfied so that a person can act unselfish. Maslow the named those needs as "deficiency needs." Physiological needs include breathing, food and water, sleep, homeostasis, sex, excretion. Safety and Security Includes security of body, employment, resources, morality, family, health, and property. Love and Belonging Includes friendship, family, sexual intimacy, and sense of connection. Self-esteem includes self-esteem itself, confidence, achievement, respect of others, and respect by others. Lastly Self-actualization includes morality, creativity, spontaneity, problem solving, lack of prejudice, and acceptance of facts.

The next concept discussed is the concept of good governance. Good governance (Addink, 2019) as a concept works closely with law and human right. Good governance contains principles of Effectiveness, Properness, Participation, Transparency, Accountability, and Human Rights. The principles work within the three political powers of executive, legislative, judicative and courts of audits. Good governance does not only refer to the proper use of government's power transparently and participatively, it also requires faithful exercise of power. Related to the topic, good governance may be applied by creating and enforcing good public welfare law hence system with principles explained above. A good governance includes an accountable, transparent, and people-based welfare system, creating a condition of trust between the government and its people. Therefore, creating a stable and peaceful social condition.

The theory and concept above synergize in creating an understanding of how the effort in creating public welfare enhances sustainable peace. Sustainable peace derives form positive peace, one possibly created with peaceful system and framework. The peaceful system and framework could be achieved by applying principles of good governance into practice. Hence the welfare system must be carried out by the peaceful system to truly exist.

RESULT AND DISCUSSION

The Denmark Welfare System: The Model and How it Works

The welfare system in Denmark operates on a foundational 'universal welfare model', ensuring that all citizens are entitled to essential welfare benefits and services simply by virtue of their citizenship. This system is distinguished by a robust social security framework and a notable level of income equality. Education and healthcare are universally accessible to all Danish citizens, irrespective of their socioeconomic status. Additionally, citizens are guaranteed some compensation for income loss due to circumstances like unemployment or disability, supported by public services under the welfare system. What sets the Danish welfare model apart is its government-driven provision and distribution of benefits and services, assuming primary responsibility for the social welfare of all citizens. Despite its appearance aligning with socialist or communist ideologies, the Danish welfare model is designed to support a capitalist market economy (Ministry of Foreign Affairs of Denmark).

The Danish welfare system operates through progressive taxation, where higher-income individuals and private companies pay more taxes compared to those with lower incomes. These taxes fund essential services such as healthcare and education, ensuring that all citizens have equal and free access to these fundamental welfare benefits. While the welfare system does contribute to reducing economic disparities among citizens, its primary goal is not focused on reducing inequality but rather on guaranteeing universal access to healthcare and education. This approach aims to build a highly skilled human capital base, which in turn benefits the country's economy. Companies that contribute through taxation thereby contribute to enhancing the Danish economy. (Ministry of Foreign Affairs of Denmark), as well as having the capability to invest more in the welfare cycle.

On average, Danish citizens contribute approximately 46% of their income in taxes, ranking Denmark fifth globally in terms of highest tax burden. Despite this high tax rate, a significant majority—around 88%—of Danish citizens express satisfaction with paying taxes (Gallup Institute Survey, 2014). Tax revenues in Denmark fund a comprehensive array of benefits and services, which include paid parental leave and child benefits, subsidized daycare centers, primary, secondary, vocational, and higher education, student grants, healthcare services, psychological support for young adults aged 18-24, unemployment, disability, and sickness benefits, housing allowances, early retirement options for the disabled, state pension for those over 67, elderly care, public libraries, public transportation, subsidized cultural and sports activities, maintenance of toll-free roads and highways, and funding for police, courts, and national defense. (Ministry of Foreign Affairs of Denmark).

Denmark Good Governance: Key Factor in Boosting Welfare System

According to Chandler Good Governance Index 2024 (Chandler Institute of Governance, 2024), Denmark positioned second in good governance ranking. The research carried out with four key domains that is geopolitical stability, socio-economic development, technological advancements, and environmental challenges with 113 countries measured. Denmark have ranked first place as the most less corrupt country in the year 2023 (Transparency International, 2023). Transparency international uses scale from 0 to 100 called Corruption Perception Index, 100 means that the country is very clean and 0 means that it is highly corrupt. Denmark received 90 points; 3 points higher than Finland.

United Nation Development Programme research on Asia-Pacific region finds that Corruption correlates with accountability and transparency. Poor governance and corruption are a major bottleneck for human development in Asia-Pacific. Corruption is a key driver of the growing inequality, persistent poverty, and the exclusion of the most vulnerable from the gains of economic growth. It is estimated that over 900 million people across the Region had to pay a bribe to access basic services such as health or education in 2017. Corruption according to the

Oxford Dictionary is “the use of bribery to influence the actions of a public official. More generally, corruption refers to obtaining private gains from public office through bribes, extortion, and embezzlement of public funds.” Corruption until recently has become problem to many states. The specific corruption discussed is the act of illegal private gains from the public funds. Public funds are something vital, especially to developing and underdeveloped countries, public funds act as the main tool in developing infrastructure, education quality, public service qualities, integration of technology within the running of governance, hence and importantly increasing economic capability and public welfare. Therefore, the low rate of corruption may lead to a positive building of the welfare system.

The statistics and discussion above also explain the happiness and trust of the citizens toward Denmark government. Low corruption rates proves that the government is accountable and transparent, which if both points fulfilled means that the tax collected is distributed accordingly to where it must be used. Resulting to the creating of a truly functioning welfare system that could be felt and utilized by its citizens. The reality where the welfare system covers healthcare and education fee, enhance the trust of the citizens in paying tax however high the rate set. This sets the base as how the welfare system could operate and maintain its system and quality until now. More than 80% of Danes are satisfied with the judiciary system, health care and the education system (OECD, 2023). That trust is the essential value held by the Denmark culture and society, in business, government and socially (Aalborg University).

The Denmark Welfare System Programs and Maslow Safety and Security Needs

Denmark welfare system focuses on the development of four key sectors. Understanding the cycle enforced, where Denmark focuses on developing their access to education and healthcare to increase the human capital within its society. Next the citizens will become working forces with quality, one that would boost company or other work-related field productivity and thus profit. The profit is then the important part, that every income the citizens received is charged by tax. This Tax is what then increases the country’s income as well as invested again within the cycle.

First, the impact of the Denmark welfare system will utilize the human needs hierarchy by Maslow. The theory corelates with the welfare system, by understanding that the welfare system is created by the government as form of support to ensure their citizens meet basic human needs. Maslow theory itself is a set of needs categorized and staged. In the peace and conflict resolution field of study, this theory often become a theoretical framework with the argument that the more human needs satisfied then the less conflict prone environment will be created and vice versa. The Denmark welfare system and its four main sectors categorized into Maslow’s needs for safety and security, in sense of health, employment and resources. The part with healthcare is self-explanatory. Education as stated above is important to creating quality working labor. The higher quality of education a student gets then the more knowledge, theoretical or practical, the student received. The knowledge obtained than become the base of the graduates in finding proper employment. An employee has the right to receive monthly salary, meaning that this will help the employee in gathering resources in forms of money or item or assets bought with money. The system is applied through layers of sustainable education and after-education programs.

Higher education in Denmark is free for students from the Nordic, EU/EEA, and Switzerland and for students who, according to EU law, are entitled to the same status as Danish citizens. Similarly, students participating in an exchange programme can study in Denmark for free. (Danish Ministry of Higher Education and Science) old. Some families opt for private schools, often preferring their smaller size or specialized educational approaches. Towards the end of primary school, Danish students undergo a nationwide assessment to guide their educational choices. Those with strong academic abilities frequently choose gymnasiums for secondary education, focusing on languages, sciences, mathematics, or other subjects

preparing them for university. Alternatively, students with a practical orientation may opt for vocational schools offering training in high-demand skills like metalworking, electrical technology, or mechanics, or attend business schools for subjects such as accounting or software development. Others might delay their decision by attending *efterskole*, residential schools where they pursue interests like theater or sports alongside academic studies. Upon completing secondary education, Danes have various tertiary education options, including traditional universities granting bachelor's, master's, and PhD degrees; university colleges offering bachelor's degrees in practical fields such as social work; or public arts and architecture academies. Full-time students are eligible for *Statens Uddannelsesstøtte* (SU), a government-provided income support program to assist with living expenses during their studies, supplemented by other work opportunities. It is common in Denmark for students to gain practical experience in their chosen fields through paid internships or apprenticeships while still studying. (Ministry of Foreign Affairs of Denmark)

In Denmark, education extends beyond graduation, with approximately one in three adults aged 25-64 participating in ongoing education courses. Many Danish employers cover the costs of additional training for their staff, and both public and private institutions offer courses aimed at enhancing business and professional skills. Unemployed individuals in Denmark often undergo training programs designed to prepare them for re-entering the workforce. Denmark's substantial public and private investments in developing new qualifications and skills are among the highest in Europe. The goal is to maintain a highly skilled and educated workforce capable of thriving in a global knowledge-based economy. Not all education in Denmark is purely professional; many adults pursue classes in cooking, painting, foreign languages, music, or dance for personal enrichment. Numerous publicly funded classes are available at minimal cost to encourage lifelong learning and cultural enrichment. (Ministry of Foreign Affairs of Denmark)

In challenging unemployment, Denmark regulates 'A-Kasses' (The Copenhagen Post, 2022). A-Kasses, short for associations of salaried employees, derive their name from the Danish term "arbejdskasse," which translates to "work box." To join an A-Kasse, individuals must be employed in Denmark and pay taxes in the country. These associations are regulated by the Danish government and are mandated to offer specific services to their members, including unemployment benefits. There are numerous A-Kasse options available, each offering different benefits and membership rates. Individuals can select the most suitable option based on their circumstances, needs, and the services provided. Some advantages of being a member of an A-Kasse:

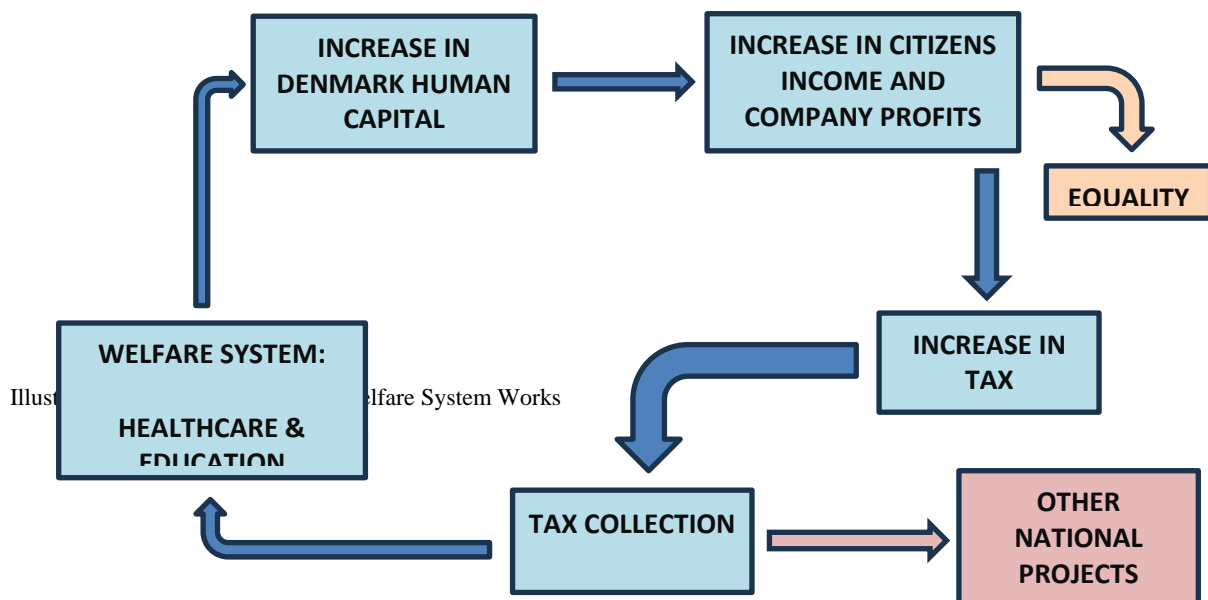
- a. Payment of unemployment benefit (*dagpenge*)
- b. Holiday pay (*feriedagpenge*) while getting unemployment benefits, and *efterløn*, a special pension through membership to the a-kasse
- c. Agreement guidance
- d. Contact information for the Jobcenter
- e. Outreach work to help the unemployed living in Denmark back into employment

Based on the analytics model of Maslow Human Needs Theory, does the welfare system truly works to satisfy the needs of its citizens? The programs show that the Denmark government is putting an effort in the needs of their people. The system is enabled to satisfy the people within the focus on Safety and Security stage in Maslow theory. It does not push to the stage of Love until self-actualization yet, and is not employed for the psychological needs. However, there is possibility that the government support impacts the next stage of the human needs. Also based on Maslow's argument that one will not be able to feel satisfied in the higher stages without being satisfied in the lower stages of need implies that there are factors within the psychological stage that have been achieved thus contributes to the success of the system.

Denmark Welfare System and Sustainable Peace

How then the Denmark welfare system correlates with positive peace. Positive peace is simplified into a condition of peace that is not just violence free, it mainly emphasize on the creation of peace with a peaceful system. The Denmark system itself firstly is objected toward a peaceful means and condition. Understanding that every living human needs their basic need to maintain decent quality and thus peaceful social condition. That means that this system is a projected towards the goods of its citizen. Next is how the system is implemented, stated above that the Danish government have great points in good governance. Proven by how it achieved first rank on good governance and corruption index globally. Thus, the system projected for peaceful means is maintained by peaceful ways.

The output resulted by this system is also positive, not just corrupt free but also brings impact to the society. Another conclusion is that this system enables sustainable development and peace. If one system is considered peaceful, then a continuous system is sustainably peaceful. As how the tax that is received spread for the good of its people, in a system which enhances citizens quality of life and income thus tax. The tax received is then becomes the input of the system. Which makes the system work within a cycle. In addition, the system created enable an equal environment for the people, most notably as a unprecedent by product. With this argument then the system is perceived as positive and is sustainably peaceful.



CONCLUSION

The Denmark welfare system is one of the most unique and successful welfare system functioned. It is interesting that this system can accidentally create equality. As this system is mainly focused on increasing citizen life quality through health and education. With the objective simply to enjoy increase in tax as the source of the nation income. However, this system is carried out responsibly. One success factor of this system is that the trust of the citizens in paying taxes to their government. Tax is essential for the system to works as it mainly depends on tax, stoppage of taxes means that the system will stop working. The trust is received mainly because the people see how accountable their government are. Denmark achieved the best country for good governance and low corruption index, added with how the system works means that they are accountable at handling tax and the flow of its funds.

The system through the focus is objected towards four key sectors explained above, the Denmark government focuses on the safety and security of Maslow stages. Considering the

statement that the Denmark government main objective is to increase its tax, through increasing human quality through health and education. The government understood that the increase in tax needed more quality and quantity of active workers, thus this system is created for that purpose. It can be concluded through political understanding that this system is one way of achieving Denmark's national interest in economy sector. However, what has been created is also for the sake of the people, money is vital for purchasing daily necessities and to obtain it one must works. Denmark helping and encouraging the society to learn and work is also for their own survivability and wellbeing. A system truly projected for the good of the people. Thus, the Denmark welfare system is a peaceful one, with objective and pros that are peaceful. The well-maintained cycle of the system makes this as a sustainable peaceful program.

This research is made to further understand how does the welfare system, in this case the Denmark welfare system, works and is pointed towards the creation of peace. The discussion on how to create a sustainable peace is an interesting one. There are however still limited welfare models that can be learned as reference for the other model. The Danish is one that have been functioned, bringing impact, and thus can be learned. Currently there are also limited research on the topic of welfare system as methods in creating peace. This research is intended to fill in and develop the discussion furthermore since it is an interesting topic rarely brought up. It is to be understood that there are limitations to research, this research has its specific purpose and may left many things possible for discussion.

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