

## ENCLOSURE C2

**Karen M. Jeppesen and Morten Rasmussen: "The welfare state impedes integration".**  
Kristeligt Dagblad, June 23, 2001. Excerpts.

Bad integration is caused by our well-developed welfare state, according to Professor of economics Nina Smith. If we want better integration in the work force, a fundamental adjustment of our welfare society is required, a welfare society which has been decades in the making. According to Nina Smith, it is necessary to abandon the many tax-based schemes found in the welfare society and replace these with special savings schemes, for instance in the insurance and retirement areas. She also suggests that the minimum wage be lowered so that entry into the work force is made more accessible.

Mehmet Necef, a cultural sociologist at the University of Southern Denmark in Odense, agrees that the Danish welfare state plays a part in slowing the integration process in Denmark. Danes feel that foreigners are an economic liability to them personally, because society's expenses on foreigners are paid directly by the tax payers themselves, says Mehmet Necef. He believes that the solution is to lower the minimum wage, while recognizing that doing so will be hard in the Danish system in which labour unions are so strong. According to Mehmet Necef, the labour unions are one of the greatest impediments to the integration process.

Nina Smith also points out that it is a very delicate subject to talk about fundamental changes in the welfare state: "We want to uphold a certain social level of justice, but in my opinion this is doable while also having a savings-based welfare system. This would also make the Danish society less sensitive to immigration, says Nina Smith. She also points to Sweden which has savings-based schemes in place in a long range of areas while upholding a high degree of social justice. "More savings-based schemes in the form of insurance schemes that require citizens to pay for benefits themselves, will make Danish society much less sensitive to immigration, says Nina Smith.