

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

In 2014, the Danish Parliament adopted the Act on Registered Social Enterprises, a component of the social and solidarity economy (SSE). In Denmark, **132 115 SSE entities** provided employment to **178 597 people** in 2021.

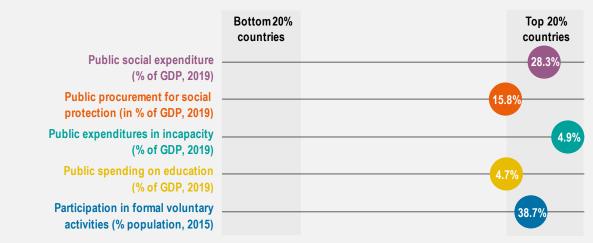
SOCIO-ECONOMIC INDICATORS

Denmark is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Denmark	USD 74 859	80.3%	10.9%	6.5%	0.268 / 1	28.1%	2.0 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Denmark refer to 2022, except for NEET (2021), poverty rate (2019), Gini coefficient (2019) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in Denmark

The social and solidarity economy (or social economy) is not defined in any legal or official text in Denmark. The country has a registration tool for "socio-economic enterprises":

In order for an entity to be registered as a **socio-economic enterprise**, it must: have a **social purpose**, conduct **commercial activities**, be **independent of the public sector**, be **inclusive** and **responsible** in its work, and have a **social management of its profit** by using its surplus for: reinvestment in the entity, investment in or donations to other registered socio-economic enterprises, donations to organisations with a non-profit or charitable purpose, or a limited distribution of dividends or other form of profit sharing to the owners of the entity.

Note: For more information, please refer to the Act on registered socio-economic enterprises (2014), Chapter 2.



CDD ction Promoting Social & Solidarity Economy Ecosystems This Country Fact Sheet is prepared in the framework of the <u>OECD Global Action "Promoting Social and Solidarity</u> <u>Economy Ecosystems</u>", funded by the European Union. It is part of a series of country pages that provide information and relevant data on the social and solidarity economy ecosystems across the world.

Institutional frameworks



Institutions

The **Danish Business Authority** is administering the **registration tool for social enterprises** – Registreret Socialøkonomisk Virksomhed (RSV) – that was introduced under the National Strategy for Social Enterprises.



Legal instruments

The Danish Parliament adopted the Act on **Registered Social Enterprises in 2014**. Based on this act, social enterprises are able to register if they meet specific criteria.



Stakeholder engagement

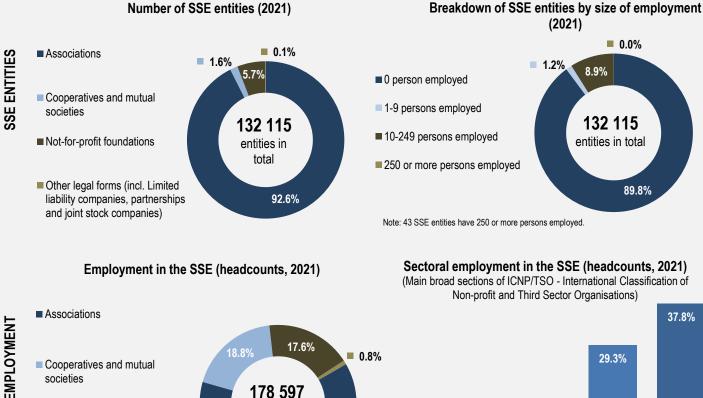
Many municipal governments actively support SSE organisations through awareness raising, funding and business support schemes.

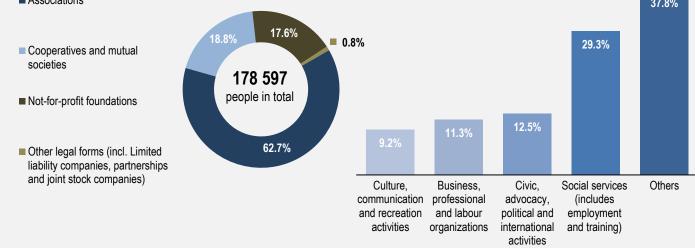
Main figures

In Denmark, **132 115 SSE entities** provided employment to **178 597 people** in 2021. Majority of SSE entities (89.8%) are **small sized** with less than 10 workers. **Social services** had the highest share of employment with **29.3%**.

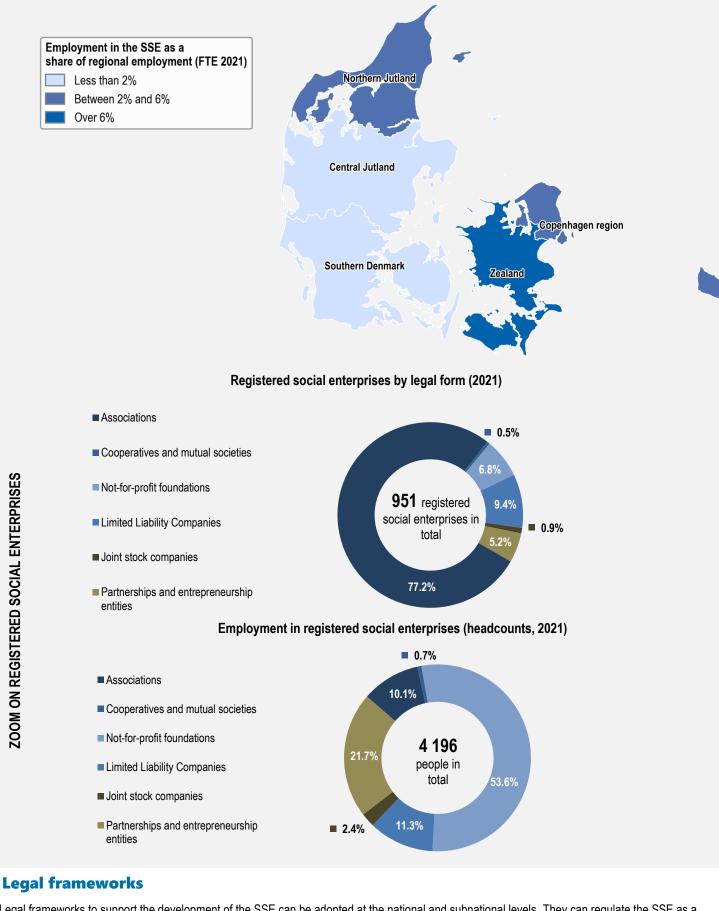
SCOPE

In the absence of an official definition of the SSE, data on the SSE are provided according to a common understanding of what entities can be seen as part of the field. The data are based on Danish legal forms provided from the Central Business Register. Additionally, the 2014 Act on registered social enterprises defines the criteria to be recognised as a social enterprise. Most legal forms are eligible to be accredited by this voluntary legal status if they comply with a specific set of criteria. Data on social enterprises refer to registered social enterprises.





Note: In sectoral employment, others include real estate activities; trade activities; human health services; financial and insurance services; education services; philanthropic intermediaries and voluntarism promotion; professional, scientific, accounting and admin. services; community and economic development, and housing activities; environmental protection and animal welfare activities; agriculture, forestry and fishing; transportation and storage activities; religious congregations and associations; and unclassified activities.



Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	Not available.
For specific SSE entities at national level	Act on Registered Socio-Economic Enterprises (2014) - Link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Denmark.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
 Associations are tax-exempt if they are exclusively non-profit or charitable, or if they do not have income from business activities. Non-profit associations are exempted from Value Added Tax (VAT) (except in some specific cases). Foundations are taxed on income coming from economic activities, and on other income if they exceed DKK 25 000 (approx. EUR 3 400). 	 Donations up to EUR 2 250 to public-benefit foundations recognised by a special approval of the Ministry of Taxation are tax-deductible for individual donors. Corporate donors may benefit from tax deduction for donations up to EUR 2 250 to recognised public-benefit organisations.

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



• Act on Registered Social Enterprises (Lov nr 711 om registrerede socialøkonomiske virksomheder) (2014) △ Danish Parliament

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement.

FURTHER READING ON THE SSE IN DENMARK

Nordic Council of Ministers: Social entrepreneurship and social innovation - Initiatives to promote social entrepreneurship and social innovation in the Nordic countries | European Commission: Social Enterprises and their Ecosystems Denmark Country Report | Euclid Network: Danish Social Enterprise Monitor 2021-2022 | Hulgård and Bisballe: Work Integration Social Enterprises in Denmark | Guidelines to register socio-economic enterprises in the Danish registration tool | EU Social Economy Gateway: Denmark

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, https://doi.org/10.1787/na-data-en; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, https://doi.org/10.1787/na-data-en; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, https://doi.org/10.1787/data-00310-en; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, https://doi.org/10.1787/data-00654-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, https://doi.org/10.1787/data-00654-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, https://doi.org/10.1787/data-00654-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, https://doi.org/10.1787/data-00654-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, https://doi.org/10.1787/data-00654-en; Further, https://doi.org/10.1787/data-00654-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, https://doi.org/10.1787/data-00654-en; Stakeholder engagement for developing regulations: OECD Better Life Index, https://d
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the Danish Business Authority.
- Further information on the methodology followed in the country fact sheets can be found here.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

