



The Danish Employment System and the Flexicurity-model

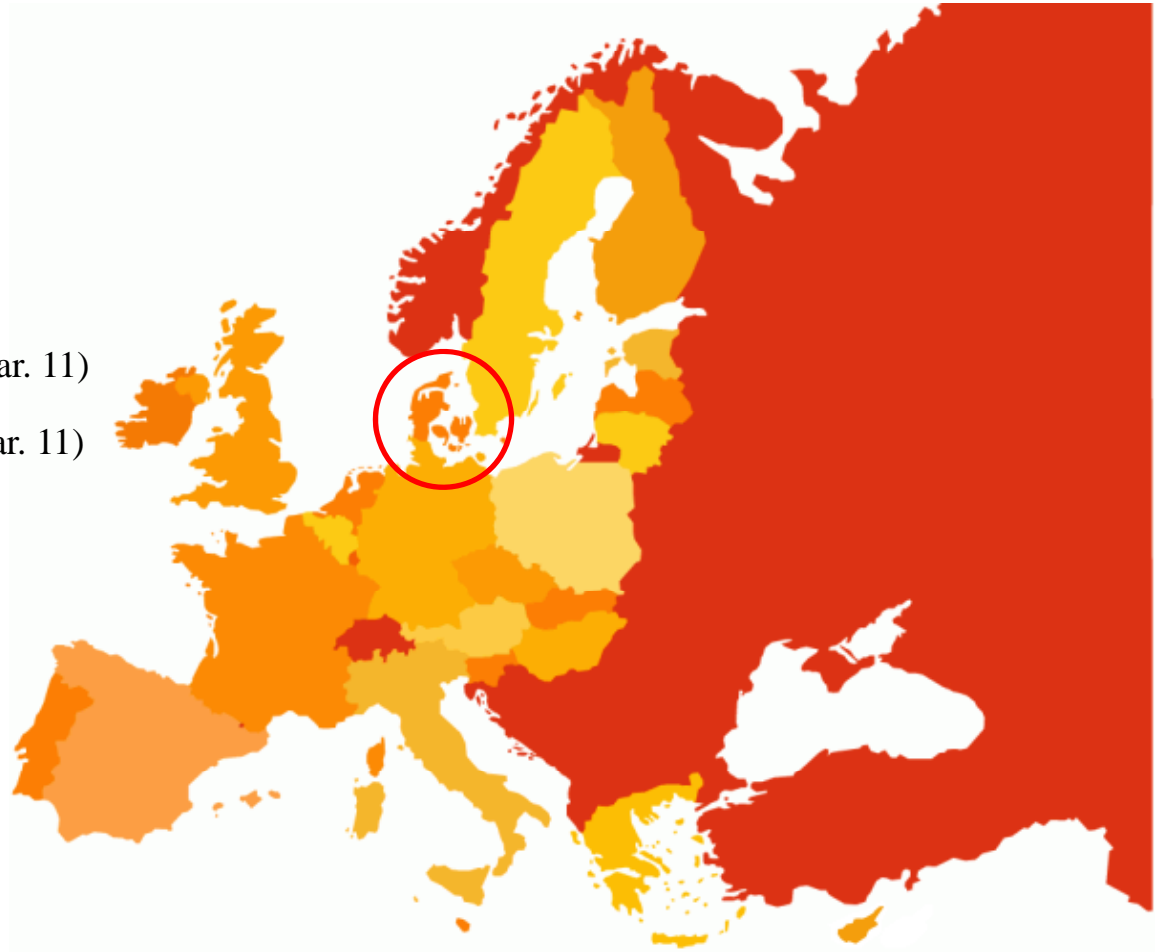
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Facts about Denmark

- **Total population** 5.5 million
- **Work force** 2.9 million
- **Employed people** 2.8 million
- **Employment rate** 76 %
- **Unemployment rate** 5,9 % (Mar. 11)
- **Youth unemployment** 4,8 % (Mar. 11)

source: www.Jobindsats.dk (Statistics Denmark)





Characteristics of Labour Market Policies in Regimes

Regime	Policies	Countries
<i>Regime A</i> <i>North-European regime</i>	<ul style="list-style-type: none"> ● High compensation rates³⁶ ● Strict availability for work requirements ● Active LMPs ● Low to average employment protection 	Denmark Netherlands Sweden
<i>Regime B</i> <i>Anglo-Saxon regime</i>	<ul style="list-style-type: none"> ● Low compensation rates ● Few formal demands on availability ● Varying degree of active LMPs ● Limited employment protection 	Ireland United Kingdom
<i>Regime C</i> <i>Central European Regime</i>	<ul style="list-style-type: none"> ● Varying compensation rates ● Varying demand on availability ● Passive LMPs ● Average to high employment protection 	Austria Belgium Finland Germany
<i>Regime D</i> <i>South European regime</i>	<ul style="list-style-type: none"> ● Average compensation rates ● Strict availability for work requirements ● Passive LMPs ● High employment protection 	France Italy Spain Portugal Greece

Source: *Medium Term Economic Outlook*, Danish Ministry of Finance, 2004:12.



Employment/population ratios, labour force participation rates and unemployment rates 2007

Countries ordered by regime	Employment/population ratio	Labour force participation rate	Unemployment rate
Regime A:			
Denmark	77.3	80.3	3.6
Sweden	75.7	80.6	6.2
Netherlands	74.1	76.9	3.7
Regime B:			
United Kingdom	72.3	76.3	5.3
United States	71.8	75.3	4.7
Ireland	69.0	72.3	4.6
Regime C:			
Austria	71.4	74.7	4.5
Belgium	61.6	66.7	7.7
Finland	70.5	75.7	6.9
Germany	69.0	75.6	8.7
Regime D:			
France	64.0	69.5	8.0
Italy	58.7	62.5	6.2
Spain	66.6	72.6	8.3
Portugal	67.8	74.1	8.5
Not categorised by regime			
Korea	63.9	66.2	3.4
OECD Europe	63.5	68.6	7.5
Total OECD	66.7	70.7	5.7

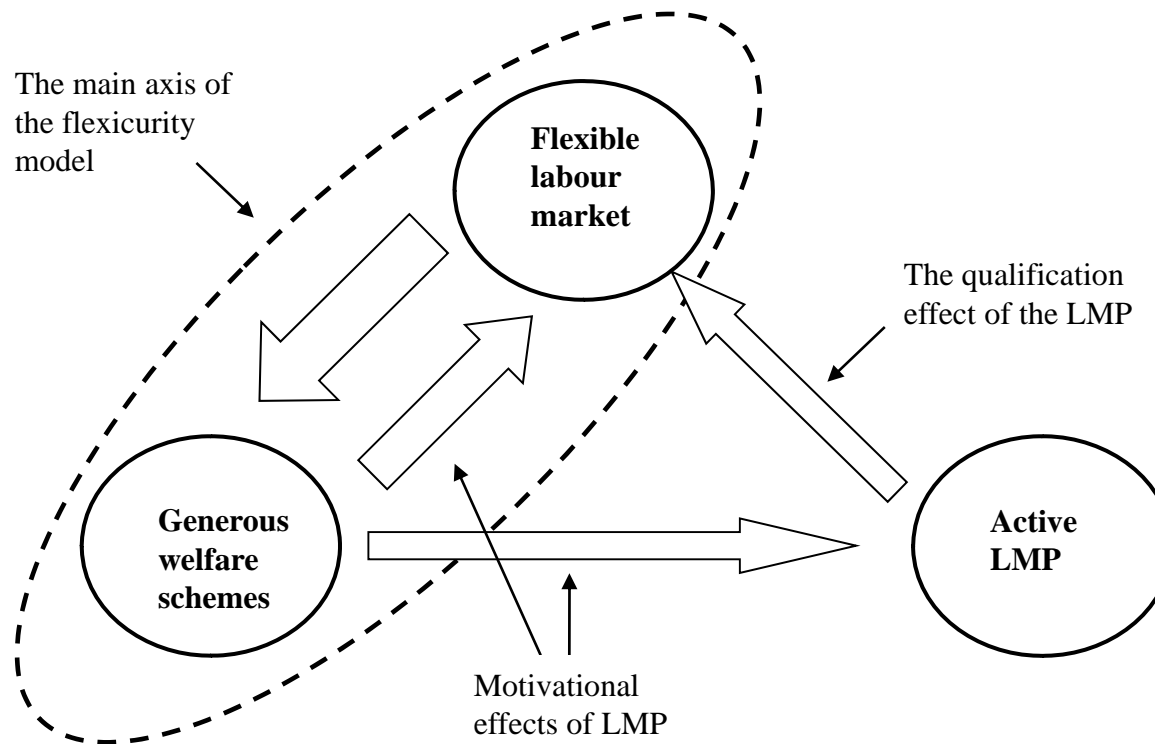
Source: *OECD, Labour market statistics.*



The Danish Flexicurity Model

Limited degree of employment protection and high job mobility

- 800,000 or circa 30 % of all Danish wage earners change their jobs each year
- 20% of the work force experiences unemployment each year



High compensation 2 years duration
incl. activation,

Activation is both a right and an obligation

- In Denmark 1.7 % of GDP is spent on active measures and 2.5 % on passive measures



The main elements of the Flexicurity model

- **A flexible labour market with low employment protection and high job mobility**
- **Income security**
- **An active labour market policy**
- **Collective agreements between social partners on the labour market**
- **Dynamic legislative process – regular review and revision**



Focus of the Danish Employment Service

In order to stimulate labour supply and reduce structural unemployment focus is:

- **Work first strategy** (only for youth with no education is vocational training a first priority)
 - **Minimise jobseeking periods** (early and frequent contact to the jobseekers to strengthen obligation to be available for jobs)
 - **Jobseeking directed towards Bottleneck Industries and potential jobopenings**
 - **Upgrading the employability of the unemployed** (upgrading the skills of the unemployed to the needs and demands of the local and regional labour market)
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Strategies and Tools in the Active Labour Market Policy (AMLMP)

- **Qualifications through "jobtraining" in private and public enterprises**
- **Qualifications through job-oriented training offers**
- **Measures within the ordinary educational system**
- **Training-projects combining education and jobtraining elements**
- **Increase capacity of Vocational Training adult workers**



Involving Private Enterprises in AMLP

1) Private Service Providers

- Full responsibility for specific target groups (contracting)
- Have to meet prescribed performance targets
- Payment depends on performance

2) Private-public Partnerships

- Special requirements when private Enterprises are contracting with public Institutions. An example could be to employ or train certain target groups.

3) Corporate Social Responsibility

- Private Enterprises offering
 - job training and apprenticeship
 - wage subsidies
 - mentoring services
 - Partnerships
 - training and skills enhancement upgrading programmes for employees



Active measures in the Enterprises

