


APRIL 2020

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# Key figures for employment efforts in Denmark

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## Introduction

This report was prepared by the Danish Agency for Labour Market and Recruitment (STAR). It presents the status of the government's employment-policy goals and describes how far Danish job centres have come with regard to implementing the major employment reforms. The report is structured as a template in which all figures have been pre-defined and based on data from [www.jobindsats.dk](http://www.jobindsats.dk).

The report is updated on a monthly basis and will be available at [jobindsats.dk](http://jobindsats.dk). All figures in the report show numbers for the entire country over the past 25 months. All measurements use data with a month's delay so that the assessed developments in the measures to a lesser degree are influenced by regular adjustments that happen to data on [jobindsats.dk](http://jobindsats.dk) because of later registering.

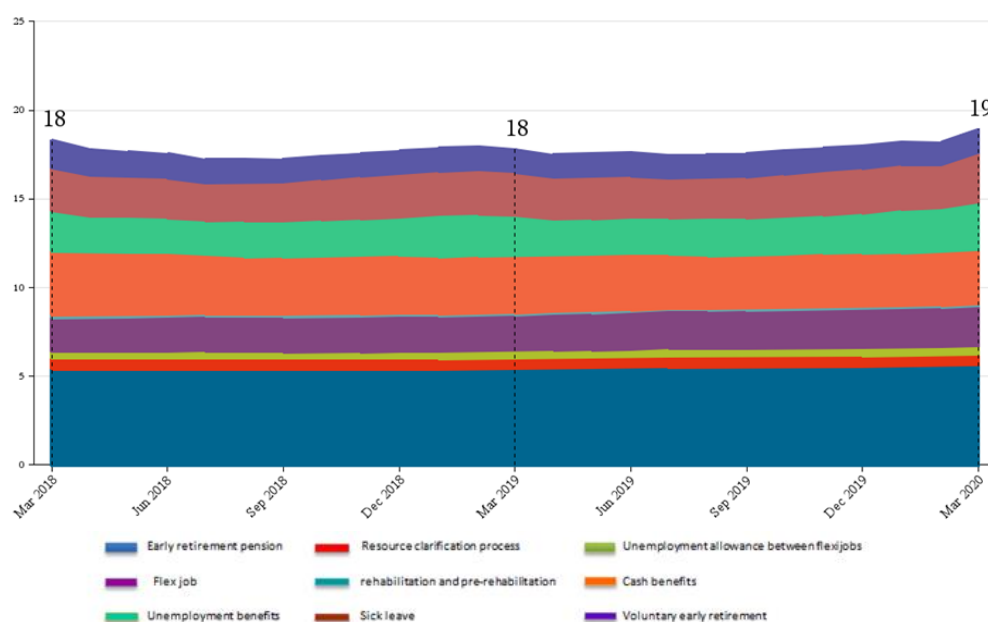
The key figures reflect the different reforms based on the target and implementation indicators that STAR and the Agency for International Recruitment and Integration (SIRI) have particular focus on in the implementation efforts for 2017 and 2018.

- The targets are indicators for whether the desired results or intentions of the reform have been achieved.
- Implementation indicators are indicators for whether the implementation is on track. The implementation indicators describe what the municipalities, unemployment insurance funds and STAR have to deliver in order to realize the intentions and sight lines, e.g. that the municipalities use central tools, or that the desired behavioral change among citizens, businesses and caseworker.

## Job centre overview, the entire country

### Share on public benefits

**Figure 1.** Share on public benefits as a share of total population (16-66 years).



### Citizens in the entire country distributed in the accordance with labour market status

**Figure 2.** Citizens in the municipality of working age (16-66 years) distributed in the accordance with labour market status

4. quarter 2019	Number of full-time persons	Part of the population, pct.	Development in the part of the population compared to the quarter before, percentage points
<b>Benefit recipients</b>	<b>695,577</b>	<b>18.4</b>	<b>0.6</b>
Unemployment benefits etc.	95,903	2.5	0.2
Cash benefits	68,135	1.8	-0.1
Educational benefits	34,237	0.9	-0.0
Integration benefits	12,664	0.3	-0.1
Sickness cash benefits	75,596	2.0	0.1
Job clarification	21,811	0.6	0.0
Rehabilitation and pre-rehabilitation	3,625	0.1	-0.0
Resource clarification process	22,554	0.6	-0.0
Unemployment allowance between flexi jobs	16,922	0.4	0.0
Flex job	85,451	2.3	0.2
Early retirement pension	213,218	5.6	0.2
Voluntary pre-retirement	45,460	1.2	-0.0
<b>Employed</b>	<b>2,218,702</b>	<b>58.8</b>	<b>0.2</b>
State educational grant and loan scheme recipients	331,906	8.8	-0.3
<b>Others</b>	<b>492,456</b>	<b>13.0</b>	<b>-0.2</b>
<b>Population (16-66 years)</b>	<b>3,775,845</b>	<b>-</b>	<b>-</b>

Remarks: The column "unemployment benefits etc." includes unemployment benefits, cash benefits and labour market benefits. The column "employed" does not include individuals employed in the following: flexi job, given wage subsidies or in a light duty job. The column "others" includes individuals who do not receive public benefits, the state educational grant and loan scheme or has a registered wage-income in Denmark. Furthermore, individuals on maternity/paternity leave and individuals who are receiving "fleksydelse" (voluntary pre-retirement for individuals working in a flexi job) are also included in the column "others".

# Key figures for the Reform of the Disability Pension and flexi-jobs

The reform of disability pensions and flex-jobs (light jobs with subsidies) entered into force on January 1st 2013. The overall goal of the reform is to get as many citizens as possible into work thereby enabling them to provide for themselves. The reform is to help ensure that more citizens become attached to the labour market, and that as few citizens as possible end up on permanent and passive benefits.

The goal is to be achieved by placing greater emphasis on the individual's resources and on developing the individual's ability to work. The reform therefore introduced a resource-assessment programme which is to ensure tailored, cross-disciplinary and coherent efforts for citizens who are at risk of receiving a disability pension permanently. In addition, the flex-job scheme has been targeted so that people with very little ability to work also can qualify for the scheme.

For the reform to succeed, the resource assessment programmes must be relevant and be of sufficient quality to help citizens on the verge of disability pension return to the labour market. Efforts involving businesses have proven to be the tool in the employment system with the most positive employment effects across different groups of marginalised citizens. Moreover, for many citizens in resource assessment programmes, mentoring can be crucial e.g. with regard to helping them structure their everyday life, bring their financial situation in order, undergo treatment, take part in on-the-job-training activities etc. With regard to the flex-job scheme, it is important that citizens who have been assigned a light job do not end on income support without a regular follow-up of those citizens so that the light job unemployment can be reduced.

On this basis, STAR has listed the following targets and implementation indicators for the reform of disability pensions and light jobs with associated figures that indicate whether the implementation of the reform is on the right track.

## Target

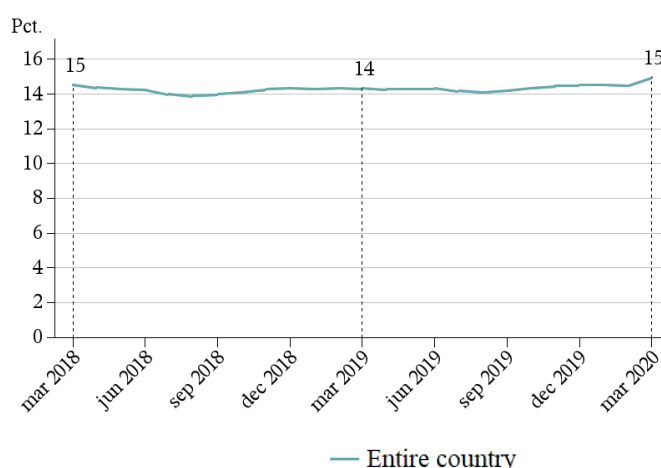
- ☐ Get as many as possible into work thereby enabling them to provide for themselves.

## Implementation indicators

- ☐ Efforts involving businesses for people in a resource-assessment programme must be enhanced.
- ☐ Use of mentoring for people in a resource assessment programme must be strengthened.
- ☐ The percentage of unemployed assigned a light job must be reduced.

## Target: As many as possible into work and provide for themselves

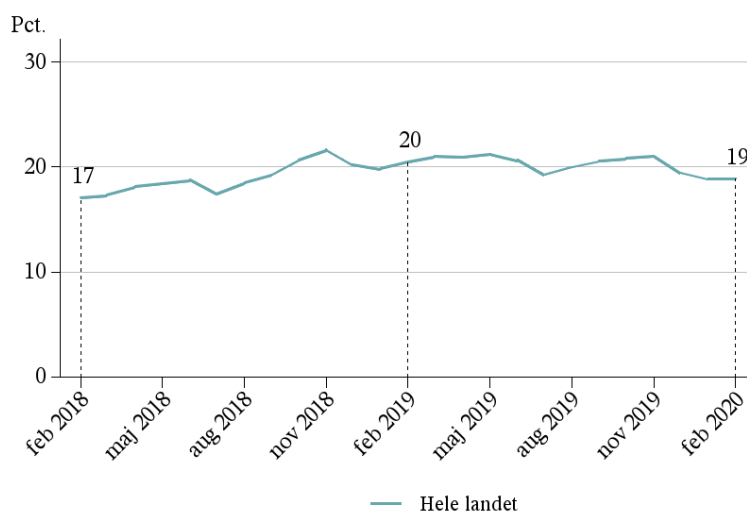
**Figure 3.** Share of vulnerable persons on public benefits (disability pension, flexi-job, unemployment benefits, resource clarification process, job clarification process, sickness benefits, integration allowance, rehabilitation/pre-rehabilitation, cash benefits/education aid) of the population (16-66 years).



# Key figures for the Reform of the Disability Pension and flexi-jobs

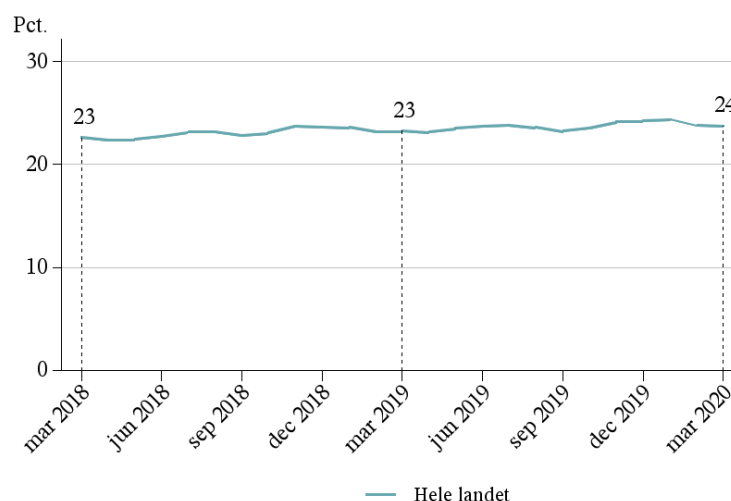
## Enhancing the efforts for persons in resource assessment process

**Figure 4.** Share of persons in resource assessment process participating in apprenticeship, private wage subsidy or public wage subsidy or have ordinary hours during a month.



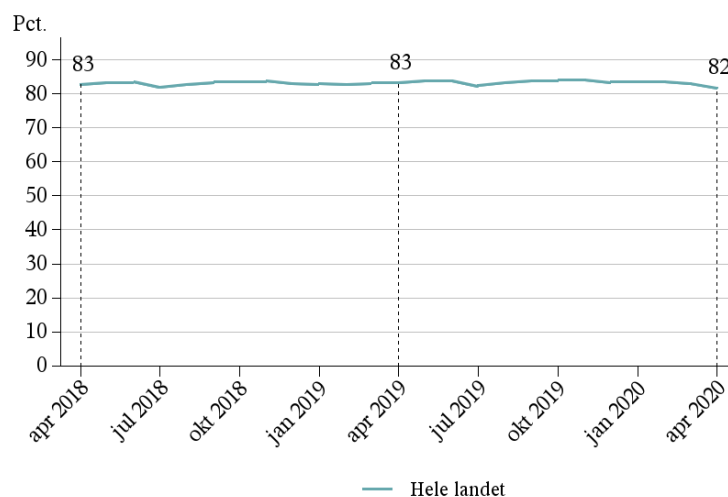
## Progression among citizens in small flexi-jobs

**Figure 5.** The share of persons that have started a flexi-job of 10 hours or less, and as a minimum have been in flexi-job for a year, increasing their effective number of hours.



## The share of persons under the flexi-job scheme, who are in flexi-jobs, has to be increased

**Figure 6.** The share of persons in flexi-job out of the total amount of persons in flexi-job schemes (flexi-job and unemployment benefit).



## Key figures for the Cash Benefit Reform

On January 1st 2014, the cash benefits reform entered into force. The reform intensifies educational efforts targeted at unskilled young people under the age of 30, who instead of receiving cash benefits will receive educational aid. The reform is also based on the principle that employable recipients of cash benefits must work for their benefits and that citizens ready for activation efforts are brought closer to the labour market through a cross-disciplinary and holistic effort.

The aim of the cash benefits reform is to reduce the number of cash benefit recipients and recipients of education aid. The reform is to help ensure that more citizens are moved from unemployment to employment or education.

Moreover, the reform is based on the basic intention that all unemployed citizens should be offered an active effort and that no one should passively receive benefits.

For the reform to succeed, active efforts must support the transition to education or ordinary employment. When it comes to active efforts, efforts involving businesses have proven to be the tool in the employment system with the most positive employment effects across different groups of marginalised citizens. Moreover, mentoring can be a key tool for transition to and retention in education.

On this basis, STAR has listed the following target and implementation indicators for the cash benefits reform with associated figures that indicate whether the implementation of the reform is on the right track.

### Target

- ☐ The number of people on cash benefits and education aid must be reduced.

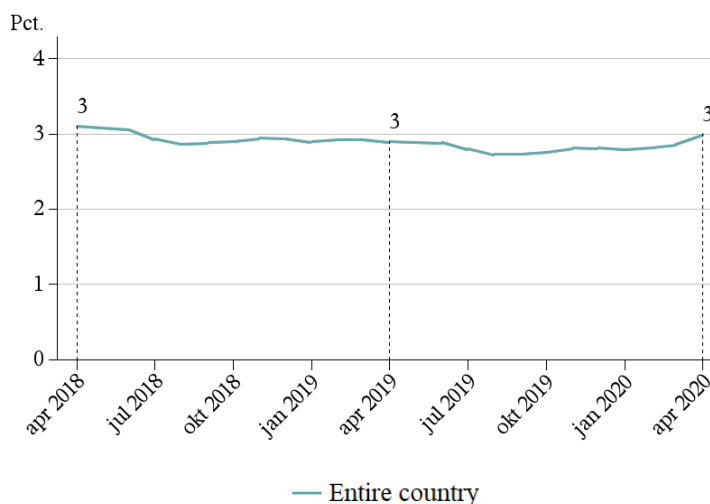
### Implementation indicators

- ☐ Mentoring efforts for recipients of education aid must be increased.
- ☐ Efforts involving businesses targeted at recipients of education aid who are ready for activation must be increased.
- ☐ Efforts involving businesses targeted at recipients of cash benefits who are ready for activation must be increased.

**Target: The share of persons on cash benefits and education aid has to be reduced**

**Figure 7.** The share of persons in the population on cash benefits and education aid (16-66 years).

**Note:** The introduction of the integration allowance means that the development in education aid and cash benefits after September 1 2015 must be interpreted with great care.

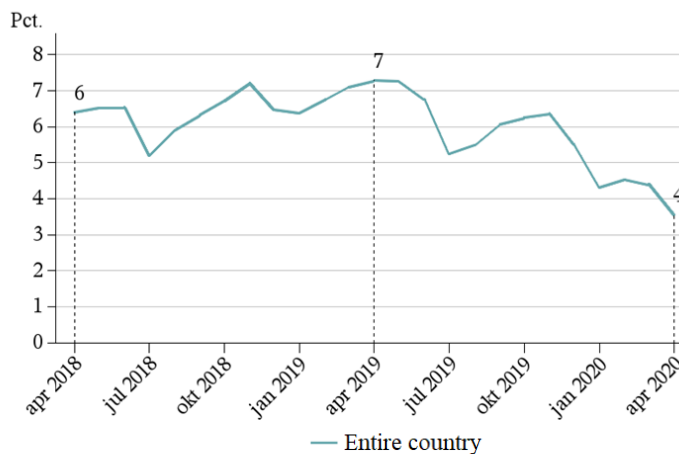


## Key figures for the Cash Benefit Reform

### More young people must enter the "building bridge to education" scheme

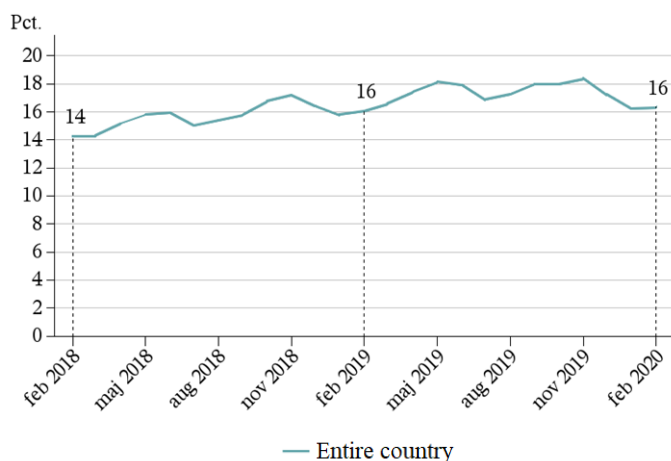
**Figure 8.** The share of education ready recipients of education aid participating in the "Building bridge to education scheme" for a month.

**Note:** It has not been possible to register "Building bridge to education scheme" before October 2016



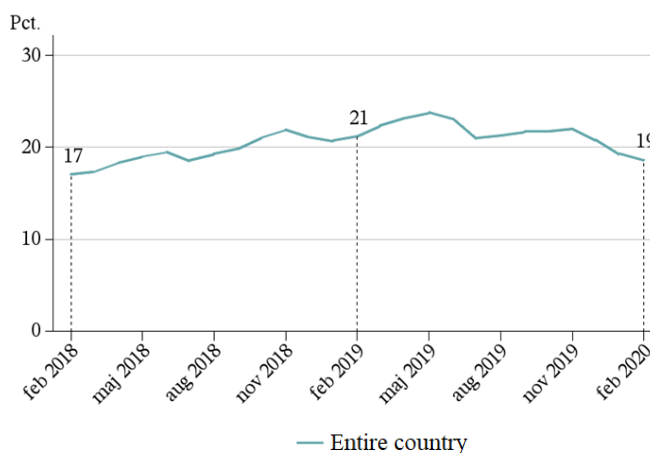
### Business oriented effort for activity ready recipients of education aid must be strengthened

**Figure 9.** The share of activity ready recipients of education aid who participate in apprenticeship schemes, private wage subsidy or public wage subsidy or achieve ordinary hours in a month.



### Business oriented effort for activity ready recipients of cash benefits must be strengthened

**Figure 10.** The share of activity ready recipients of cash benefits who wish to participate in apprenticeship schemes, private wage subsidy or achieve ordinary hours for a month.



## Key figures for the Sickness Benefit Reform

The first part of the sickness benefits reform entered into force on July 1st 2014. The goal of the sickness benefits reform is to help people on sick leave return more quickly to the labour market through earlier efforts, which to a greater extent involves businesses. Moreover, the reform is to ensure people on sick leave financial security during a period of sickness.

With the sickness benefits reform, the time of the reassessment of the individual's right to sickness benefits was changed as of July 1st 2014, so that the reassessment will take place after 5 months instead of 12 months. Furthermore, citizens who no longer qualify for sickness benefits, but who are still unfit for work, are entitled to a job clarification programme. With phase 2 of the reform, which entered into force on January 5th 2015, efforts were modified significantly with a new model for referral and assessment as well as for follow-up and increased focus on early efforts involving businesses.

Efforts involving businesses are an effective tool to help people on sick leave return to the labour market. Workplace-based efforts are therefore a significant focal point in the reform with regard to reducing the number of people on sick leave and in job clarification programmes. For the sickness benefits reform to succeed, it is therefore important to intensify efforts involving businesses and to involve the workplace of the person who is on sick leave as much as possible. Early efforts and follow-up in the sickness period are also key elements for the reform to succeed.

On this basis, STAR has listed the following target and implementation indicators for the sickness benefits reform with associated figures that indicate whether the implementation of the reform is on the right track:

### Targets

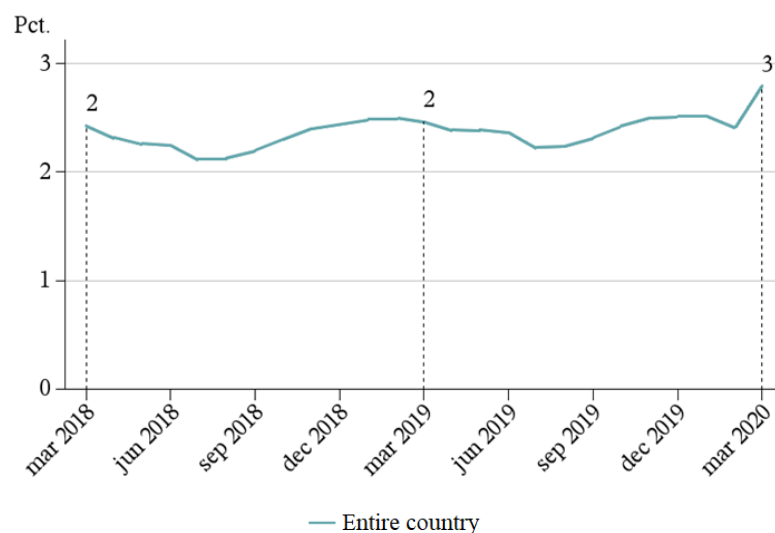
- ☐ Total absenteeism due to sickness must be reduced permanently.

### Implementation indicators

- ☐ Early efforts involving businesses for people on sick leave must be implemented.
- ☐ Early follow-up for people on sick leave must take place.
- ☐ People in job clarification programmes must be offered efforts involving businesses.

### Target: Absenteeism must be reduced permanently

**Figure 11.** The share of the population on sickness benefits and in job clarification process (16-66 years).

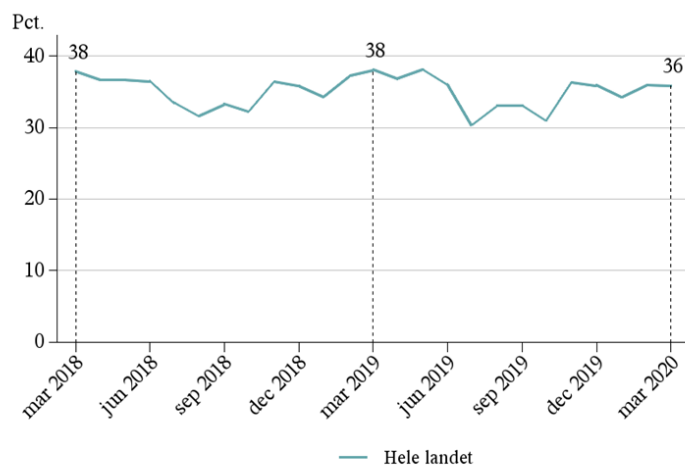




## Key figures for the Sickness Benefit Reform

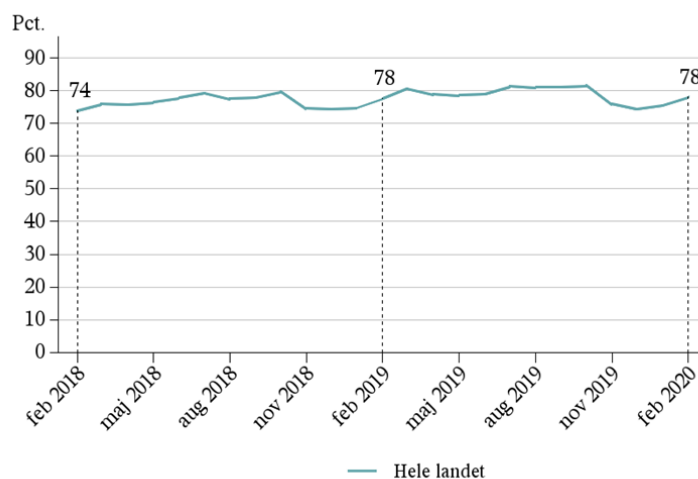
### More absentees must receive an early business oriented effort

**Figure 12.** The share of recipients of sickness benefits, who have been reported healthy or have participated in apprenticeship schemes, private wage subsidy or public wage subsidy before the end of the 13<sup>th</sup> week absent.



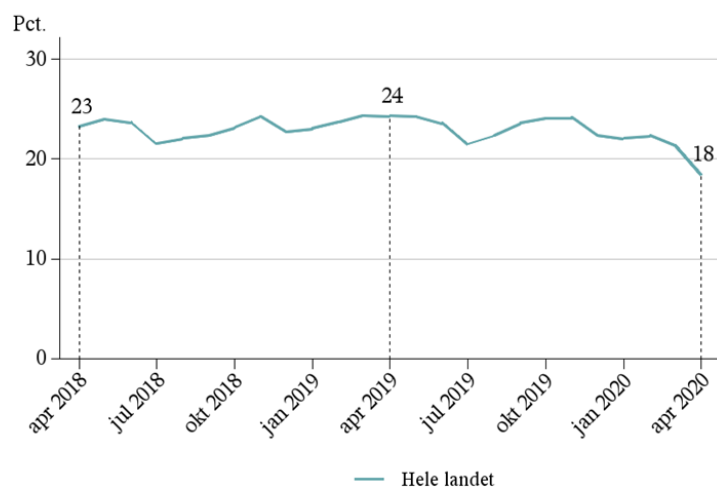
### More absentees must receive early follow-up

**Figure 13.** The share of recipients of sickness benefits who, within 1-2 months of the sickness benefit period have received at least one consultation.



### Persons in job clarification process must receive business oriented efforts

**Figure 14.** The share of persons in job clarification process who have participated in apprenticeship scheme/wage subsidy during a month. "Partly reported healthy" will in the long run be included as a business oriented effort.



## Key figures for the Employment Reform

The first part of the employment reform entered into force on January 1st 2015. The aim of the employment reform is to provide insured unemployed people with tailored, meaningful efforts and efforts aimed at employment that can prepare the individual for permanent employment and prevent long-term unemployment. Moreover, the reform aims to improve cooperation with, and strengthen the service provided to, businesses in Denmark so as to provide businesses with the labour they need, and to match the competences of the unemployed with relevant job openings. The long-term goal of the employment reform is to reduce the number of recipients of unemployment benefits permanently by finding permanent employment for more people.

One way to reach this goal is through frequent meetings at the job centre. Existing literature shows strong evidence for that job-centre meetings have a positive effect on employment, and that they are one of the most effective and robust instruments in the active employment policy. These meetings can increase the unemployed person's awareness of the possibilities that exist on the labour market, and also provide the individual with helpful tools to target their job search. The employment reform introduced joint and frequent job-centre meetings for insured unemployed people from July 1st 2015. This means that unemployed people are to take part in six meetings at the job centre during the first six months of unemployment. From July 1st 2016, two of these meetings must be held together with the unemployment insurance fund.

The employment reform has also intensified efforts involving businesses for recipients of unemployment benefits who do not find a job early in their period of unemployment. For resourceful unemployed people, experience shows that efforts involving businesses such as on-the-job-training and subsidised private-sector jobs have positive effects. These efforts take place at actual workplaces, thus helping the individual to retain attachment to the labour market, strengthen their networks and upgrade their skills.

On this basis, STAR has listed the following target and implementation indicators for the employment reform with associated figures that indicate whether implementation of the reform is on the right track:

### Target

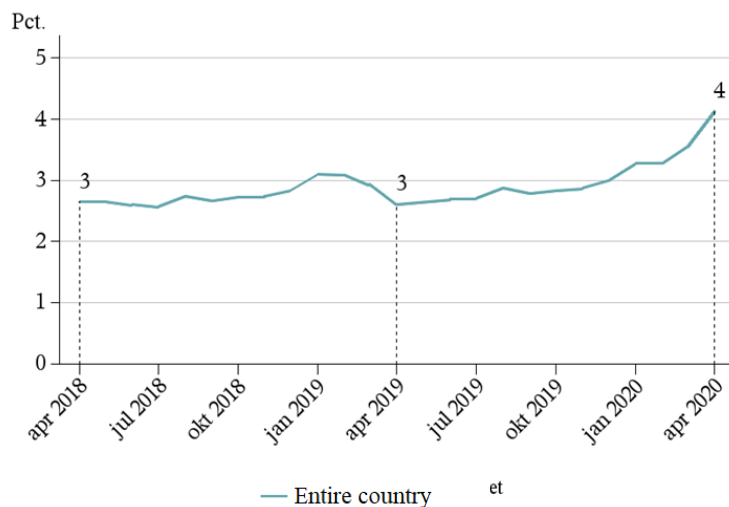
- ☐ The number of recipients of unemployment benefits must be reduced permanently.

### Implementation indicators

- ☐ Recently unemployed recipients of unemployment benefits must be invited to their first job-centre meeting early in their unemployment period.
- ☐ Recently unemployed recipients of unemployment benefits must be offered frequent meetings early in their unemployment period.
- ☐ More recipients of unemployment benefits must be offered efforts involving businesses.

**Target: The number of recipients of unemployment benefits must be reduced permanently**

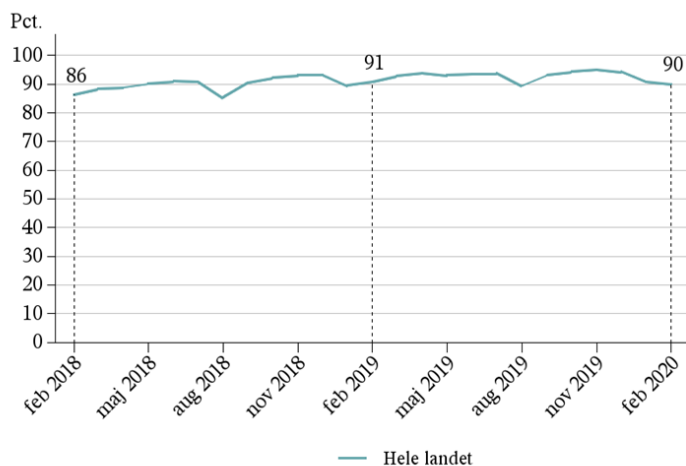
**Figure 15.** The share of recipients of unemployment benefits of total workforce (16-66 years).



## Key figures for the Employment Reform

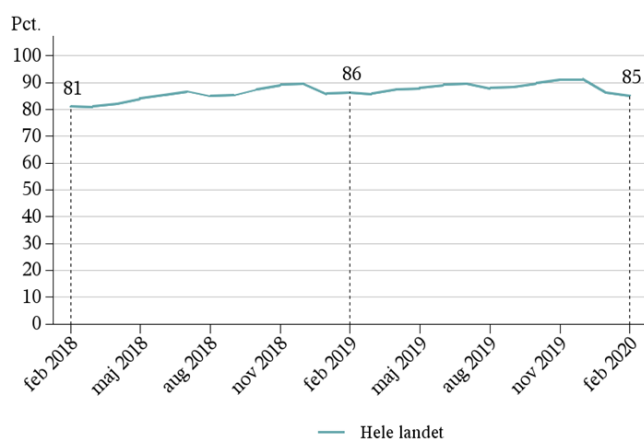
**Newly unemployed recipients of unemployment benefits must enter consultation period quickly.**

**Figure 16.** The share of recipients of unemployment benefits with 1½-3 months unemployment, who have participated in at least one consultation.



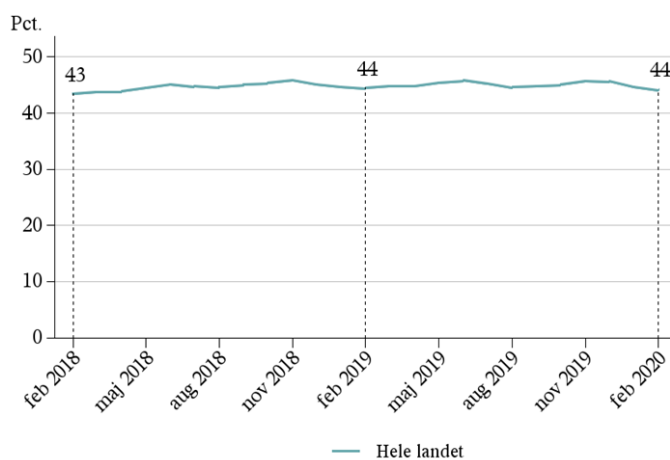
**Newly unemployed recipients of unemployment benefits must receive an early and intensive consultation period**

**Figure 17.** The share of recipients of unemployment benefits with 3-6 months unemployment, who have participated in at least 2 consultations within the last three months.



**More recipients of unemployment benefits must receive business oriented offers**

**Figure 18.** The share of recipients of unemployment benefits with more 6 months seniority, who have participated in apprenticeship schemes or private wage subsidy.



## Key figures for the bi- and tripartite agreements on integration

The new integration measures following the bi- and tripartite agreements from March 2016 came into force on July 1 2016. The overall goal of the measures is to get as many refugees and family reunified into work and to provide for themselves.

The municipality must offer refugees and family reunified relatives of refugees an integration programme according to the rules of the integration law.

The main purpose of the integration programme is to get the foreigner to provide for him or herself as fast as possible through employment. The programme consists of:

- Education in Danish
- Employment oriented offers in the form of guidance and re-qualification, apprenticeship schemes and employment according to the integration law.

The integration programme must be structured with the aim that the foreigner achieves ordinary employment within a year. The foreigner must be offered the first business oriented offer in the form of an apprenticeship or employment with wage subsidy to the extent that it is possible within the first two weeks in the municipality and after one month at the latest. Then, the foreigner is offered a continuous business oriented effort with the aim of making him or her able to provide for him or herself.

The Agency for International Recruitment and Integration has, based on this, established the following target and implementation indicators for the new measures with accompanying measures, indicating whether the implementation of the agreements is on the right track:

### Target

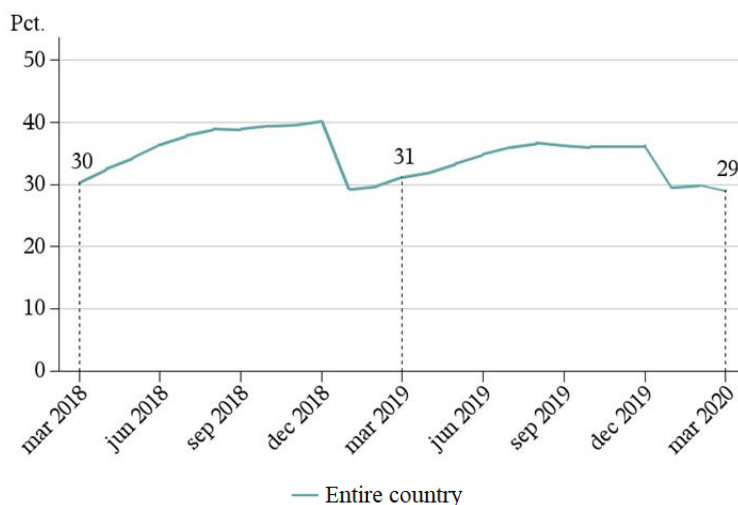
- ☐ As many refugees and family reunified relatives to refugees as possible must enter employment and be able to provide for themselves.

### Implementation indicators

- ☐ The fast business oriented effort for refugees and family reunified relatives of refugees must be strengthened.
- ☐ The general business oriented effort for refugees and family reunified relatives of refugees must be strengthened.
- ☐ The share of job ready refugees and family reunified relatives of refugees must be increased

**Target: As many refugees and family reunified relatives of refugees must enter employment and provide for themselves**

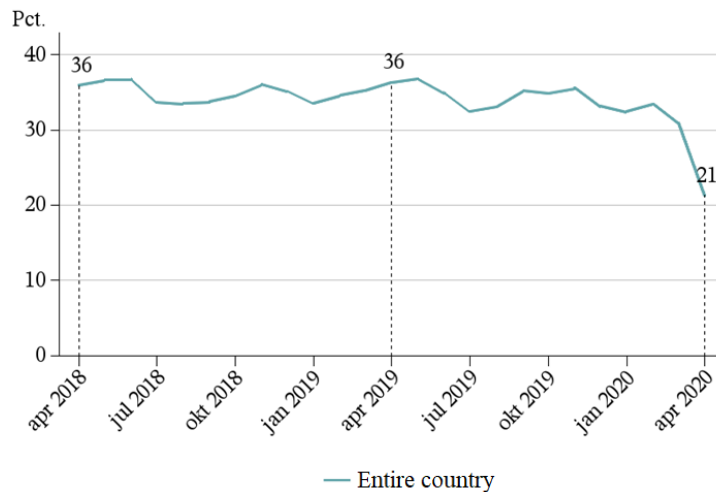
**Figure 19.** Employment rate for refugees and family reunified relatives of refugees, with an issued CPR number (social security number) 3 years beforehand (18-66 years).



## Key figures for the bi- and tripartite agreements on integration

### The general business oriented effort for refugees and family reunified relatives of refugees must be strengthened

**Figure 20.** Share of integration allowance recipients, covered by the integration programme, who have participated in apprenticeship scheme, private or public wage subsidy. **The municipalities that have less than 10 integration allowance recipients that are covered by the integration programme in December the year before, are not a part of this year's time-series.** For the 2016-time-series, the number of integration allowance recipients, covered by the integration programme was assessed per July 2016. This was where all citizens had to fulfill a requirement of a stay in Denmark of a least 7 out of the last 8 years, in total.



### The share of job ready and family reunified must increase

**Figure 21.** Share of integration allowance recipients, covered by the integration programme, that are ready for a job. **The municipalities that have less than 10 integration allowance recipients that are covered by the integration programme in December the year before, are not a part of this year's time-series.** For the 2016-time-series, the number of integration allowance recipients covered by the integration programme was assessed per July 2016. This was where all citizens had to fulfill a requirement of a stay in Denmark of a least 7 out of the last 8 years, in total.

