

The Employment Reform – Status report -September 2017

Targets for the Employment Reform

The Employment Reform builds on the following central intentions:

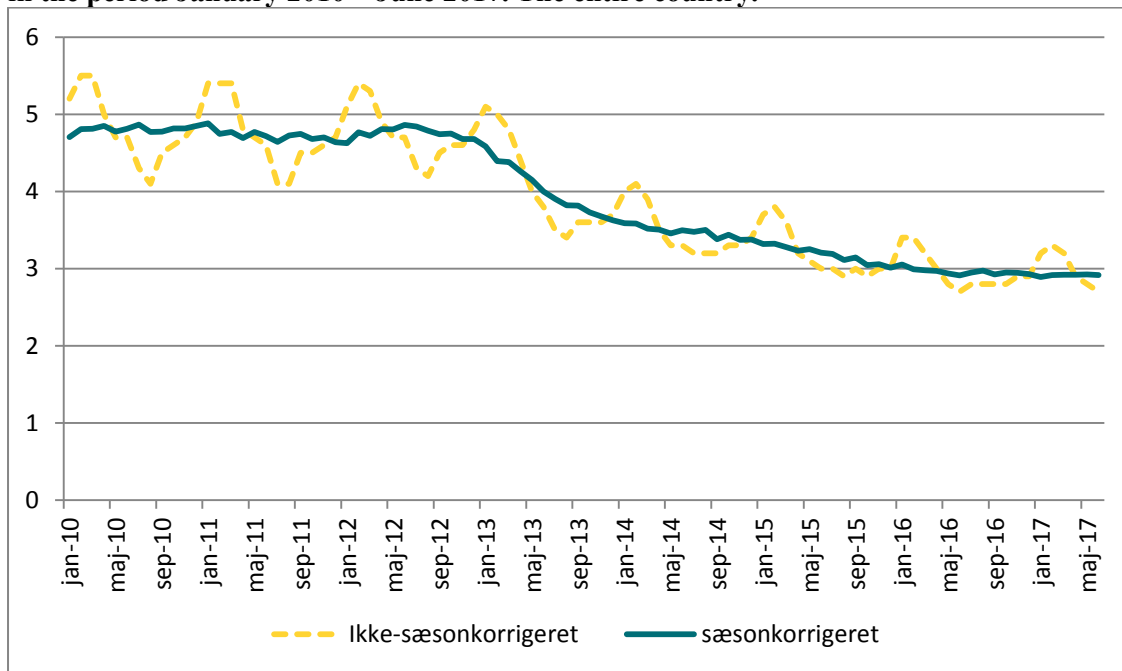
- Unemployed with insurance are offered an early and coherent effort which is worked out in close cooperation between the unemployed, job centres and the unemployment insurance fund.
- The education efforts are targeted towards the insured unemployed with the largest needs and businesses' demand for labour power.
- Business services and job placement will be core tasks for the job centres so that the businesses can get the necessary labour power.

The goal of the reform is thus to give the insured unemployed individual meaningful and job oriented help which can prepare the individual for lasting employment and prevent long term unemployment.

Main tendencies for the Employment Reform

- In the period 2010 to November 2012, the share of recipients of unemployment benefits remained constant around 5 percent of the labour force, with the share of recipients of unemployment benefits falling steadily to 3 percent afterwards, which is equal to 78,287 full time persons on unemployment benefits in June 2017, correcting for seasonal variation (figure 1). The positive development, with a falling share of recipients of unemployment benefits out of the total labour force, has continued after the Employment Reform came into force in January 2015.
- The share of recipients of unemployment benefits receiving early help is moving in the right direction. Since the reform came into force, there has been an increase in the share of recipients of unemployment benefits with between 1 ½ and 3 months' unemployment who have received at least one interview (figure 2). From June 2016 to June 2017, there has been a minor decrease of 1.7 percentage points in the share receiving at least one interview, from 86.5 percent to 84.8 percent for recipients of unemployment benefits with between 1 ½ and 3 months' unemployment.
- The share of recipients of unemployment benefits with between 3 and 6 months' unemployment who, during the latest 3 months' unemployment, have participated in at least 2 interviews at the job centre has increased since the reform came into force (figure 3). From June 2016 to June 2017, there has been an increase of 7 percentage points in the share receiving at least 2 interviews from 71.1 percent to 78.1 percent for recipients of unemployment benefits with between 3 and 6 months unemployment. Despite this increase, the volume in interviews is still slightly lower than expected, so the reform's intentions of an intensive interview period is still not fully met.
- There has been a weak decrease in the share of recipients of unemployment benefits with more than 6 months' seniority participating in a business oriented effort (figure 4). In June 2017, 10.9 percent of the recipients of unemployment benefits were in a business oriented offer, which is 1.9 percentage points less than in June 2016. This gives a weak indication that it is going in the right direction in relation to the Employment Reform's focus on a larger use of business oriented efforts.
- From July 2015 to June 2017, there have been around 730 initiated educational improvements as a result of the pool for educational improvements. The activity has increased from 40 full-time individuals in 2015 to 130 full-time individuals in 2016 and 205 full-time individuals in the first half of 2017 (figure 5).
- From January 2015 to June 2017, 19,100 programmes under the regional educational pool have been initiated in total. The activity in the regional educational pool has increased from 250 full-time individuals in 2015 to 565 full-time individuals in 2016 and 640 full-time individuals in the first half of 2017 (figure 6).

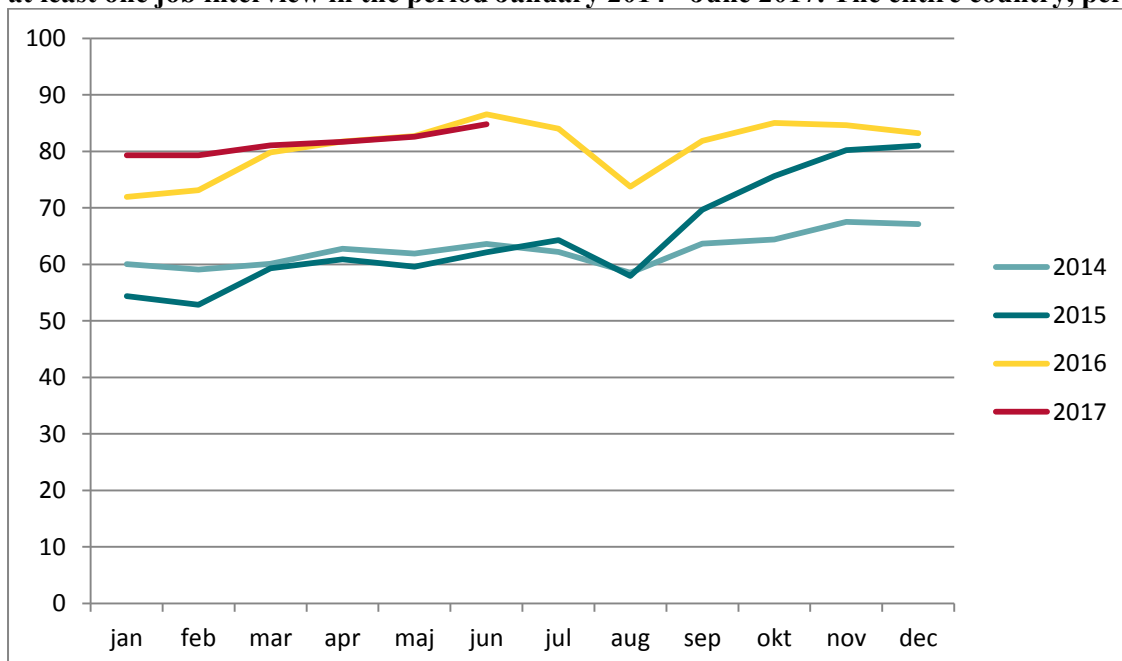
Figure 1. Development in the share of full time persons on a-benefits as a share of the labour force (16-66 years) in the period January 2010 – June 2017. The entire country.



Source: Jobindsats.dk and STAR's calculations.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

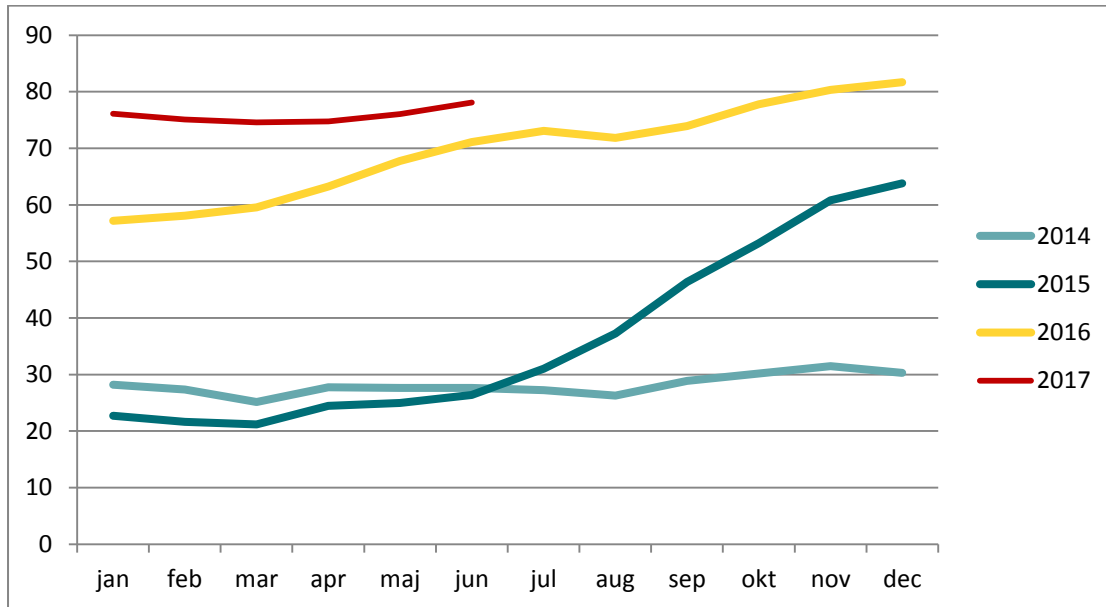
Figure 2. The share of recipients of unemployment benefits between 1 ½ and 3 months unemployment receiving at least one job interview in the period January 2014 - June 2017. The entire country, percent.



Source: Jobindsats.dk and STAR's calculations.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

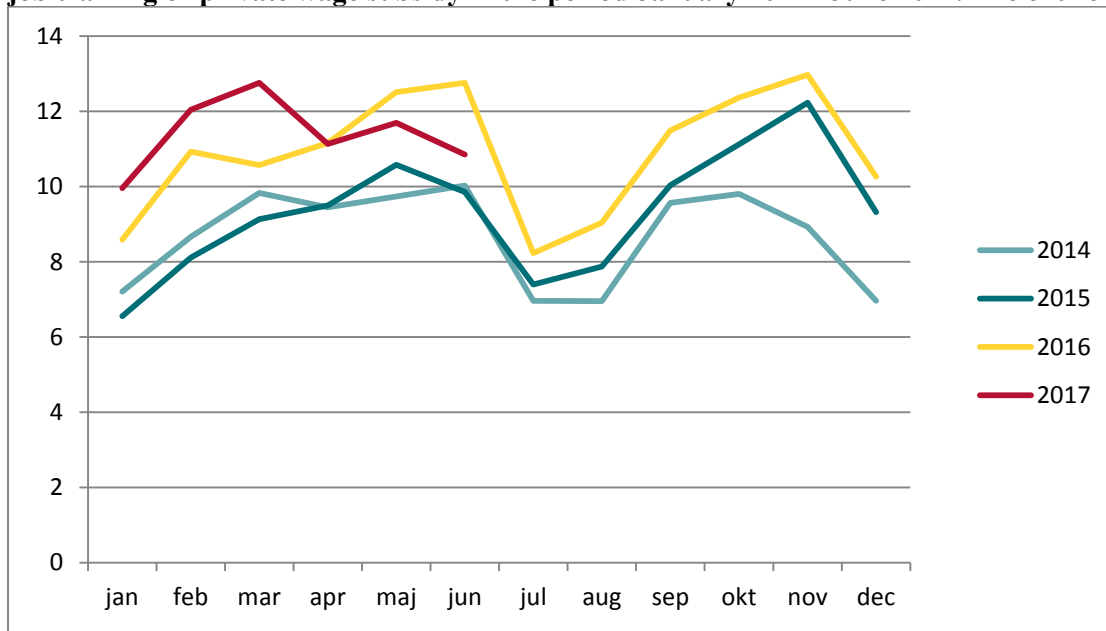
Figure 3. The share of recipients of unemployment benefits between 3 and 6 months' unemployment, receiving at least to job interviews the latest 3 months in the period January 2014 – June 2017. The entire country, per-cent.



Source: Jobindsats.dk and STAR's calculations.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

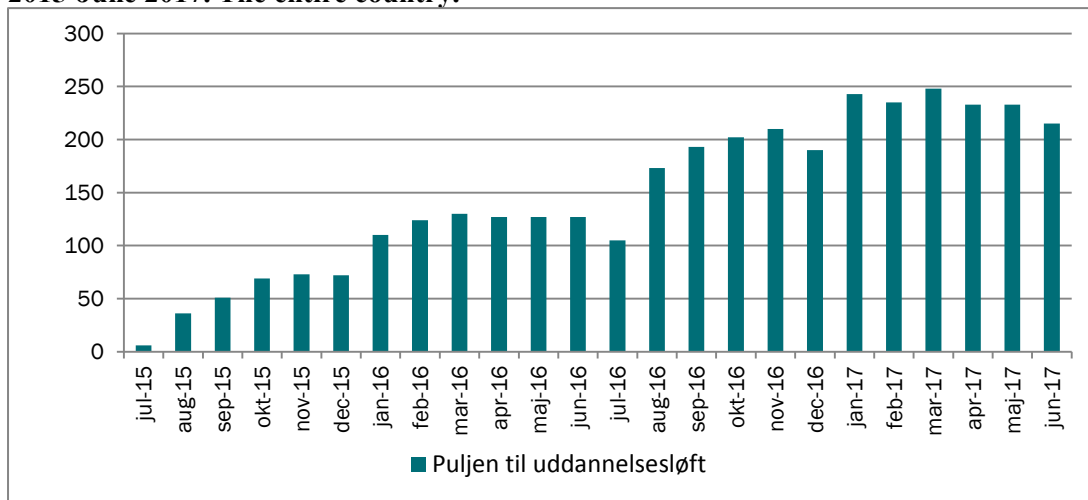
Figure 4. The share of recipients of unemployment benefits with more than 6 months' seniority participating in job training or private wage subsidy in the period January 2014 – June 2017. The entire country, per-cent.



Source: Jobindsats.dk and STAR's calculations.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

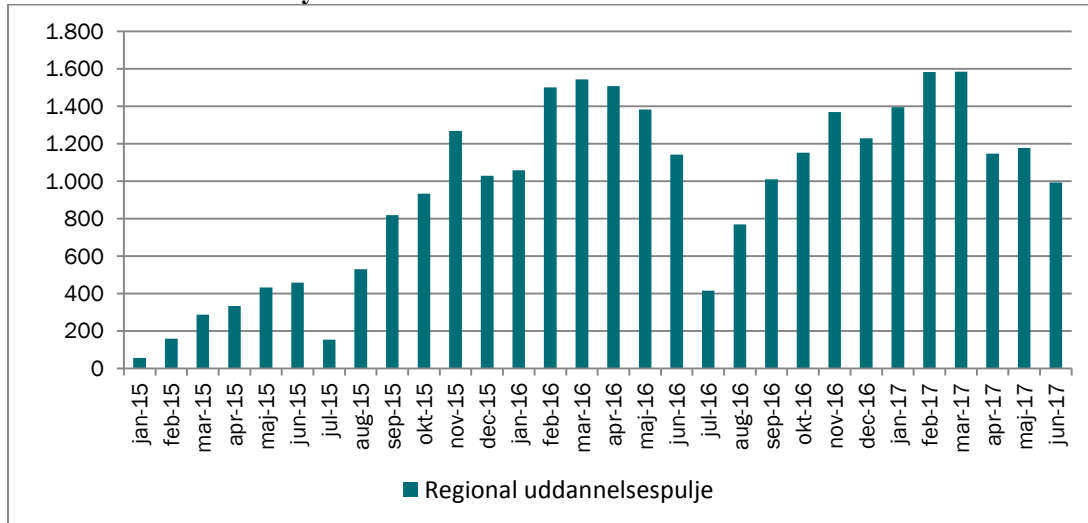
Figure 5. Amount of initiated programmes under the pool for educational improvement in the period July 2015-June 2017. The entire country.



Source: STAR.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

Figure 6. Amount of initiated programmes under the regional education pool in the period January 2015-June 2017. The entire country.



Source: STAR.

Note: Due to later registrations, the latest month with available data is not shown in the figure.

Notable risks regarding the reform and STAR's key initiatives

The implementation of the reform is moving in the right direction. This can be established from the previous pages. There are still some challenges though. These are obstacles that must be solved to achieve the targets that have been set for the implementation. A number of initiatives supporting the completion of the targets have been initiated. Below, the most notable current and planned initiatives are listed.

Challenges	Background	Current initiatives
There are logistical challenges concerning the completion of the first joint interviews between job centre and unemployment insurance fund that took effect from the 1 st of July 2016.	Some municipalities and unemployment insurance funds find it difficult to coordinate the joint interviews.	<ul style="list-style-type: none"> • There has been issued a task force between STAR, DAK and KL. It will look at the challenges and possible solutions. KL and DAK have agreed that they, in cooperation, will speak to the municipalities and unemployment insurance funds where there have been challenges with the first joint conversation. • It has been agreed with the conciliation board that the contact period must be evaluated in 2017.
Too many unemployed cannot start/finish an educational improvement because of problems between the employment and vocational Reform.	In 2016, STAR examined the job centres and unemployment insurance funds where educational improvements were not used enough. The examination showed that this was because of lacking knowledge of the scheme and the educational area, but also that the scheme is difficult to administer.	<ul style="list-style-type: none"> • Project Educational Ambassador has been initiated. The project supports 10 local projects (17 municipalities) that hire an educational ambassador for 2 years. The focus will be on how the educational improvements are being implemented in job centres and educational facilities. One of the aims is to create some structures and collaborations between the educational and employment area. The project begun in December 2016 and will end in December 2018. • Re-qualification material for supporting the case workers in their consulting of the educational improvements, includes: <ul style="list-style-type: none"> ○ Consultation about practice ○ Overview of the education opportunities in LAB ○ Overview of the educational opportunities with positive lists ○ Citizen oriented pamphlet about educational initiatives in the employment reform <p>This started in February 2017 and will end in September 2017.</p>

<p>Low share of self-bookings in municipalities</p>	<p>Some municipalities have a low share of citizens who self-book their interviews.</p>	<ul style="list-style-type: none"> • STAR's three regional divisions are checking-in with all municipalities that have a self-booking share below 60 percent. This is currently 10 percent of all municipalities. These municipalities have been asked to come up with a strategy as to how to get a larger share of citizens that self-book.
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Indicators of implementations assessed on a municipal level

Index 2 shows how far the municipalities have come regarding the implementation of the employment reform. This is measured through the reform indicators of implementation.

- The numbers in the index show the municipality's share in percent on each indicator of implementation.
- For each indicator of implementation, the third of the municipalities with the lowest share on the indicator of implementation are given an empty star. The third in the middle are given a half-empty star and the third with the highest share are given a full star.

Index 1: Municipalities assessed on indicators

Employment Reform			
Municipality	Share of recipients of unemployment benefits that have been unemployed between 1½-3 months and have participated in at least one interview.	Share of recipients of unemployment benefits that have been unemployed between 3-6 months and have participated in at least 2 conversations within the last 3 months.	Share of recipients of unemployment benefits with more than 6 months seniority that have participated in practical work training or received private wage subsidies
Favrskov	92	93	22
Faxe	92	91	13
Herning	97	90	14
Kerteminde	98	89	22
Sønderborg	96	90	13
Thisted	95	89	18
Vejen	96	96	11
Aabenraa	97	92	14
Allerød	91	93	14
Ballerup	94	94	9
Brønderslev	94	81	13
Frederiksberg	91	87	10
Furesø	90	93	11
Holstebro	95	84	17
Hørsholm	98	97	7
Langeland	84	90	14
Lolland	90	90	17
Rebild	94	87	23
Ringkøbing-Skjern	94	92	9
Skanderborg	96	93	10
Slagelse	89	90	26
Vordingborg	99	87	11
Assens	94	72	14
Billund	94	89	7
Esbjerg/Fanø	92	77	15
Faaborg-Midtfyn	92	79	12
Greve	84	86	12
Gribskov	96	77	13
Hedensted	100	94	6
Horsens	92	94	6
Hvidovre	90	85	12
Kalundborg	90	94	9
Lyngby-Taarbæk	95	90	5
Mariagerfjord	96	86	10
Morsø	82	90	22
Nyborg	89	91	10
Ringsted	88	80	12
Vallensbæk/Ishøj	88	90	11
Varde	94	69	20
Vesthimmerland	92	84	9
Brøndby	86	88	6
Gladsaxe	56	85	12
Guldborgsund	63	81	17
Haderslev	84	80	11
Høje-Taastrup	84	86	10
Ikast-Brande	84	80	10
Kolding	85	81	10
København	86	82	9
Middelfart	90	78	19
Nordfyns	98	85	7
Odder	98	85	6
Randers	90	85	10
Silkeborg	88	87	10
Skive	83	85	15
Solrød	87	90	5
Sorø	90	67	11
Struer	58	89	7
Svendborg	88	84	9
Viborg	92	67	7
Aarhus	89	91	6
Albertslund	87	76	11
Egedal	75	88	5
Fredericia	88	81	6
Frederikshavn/Læsø	77	88	7
Helsingør	82	82	8
Hilleroed	86	72	9
Lemvig	91	79	8
Roskilde	85	82	4
Rudersdal	87	86	7
Stevns	80	80	8
Syddjurs	80	83	11
Ærø	95	72	5
Bornholm	81	73	7
Fredensborg	87	78	4
Frederikssund	77	71	8
Gentofte	76	82	5
Halsnæs	81	78	11
Herlev	83	86	6
Jammerbugt	76	65	7
Lejre	77	87	3
Tønder	75	77	7
Tårnby/Dragør	83	77	10
Aalborg	71	83	7
Glostrup	40	50	5
Hjørring	81	70	7
Holbæk	79	68	3
Køge	77	71	6
Norddjurs	78	52	5
Næstved	83	70	7
Odense	56	61	4
Odsherred	69	61	6
Rødovre	80	79	5
Samsø	67	69	4
Vejle	83	66	5

Index 2: Average and spread on indicators

	Share of recipients of unemployment benefits that have been unemployed between 1½-3 months and have participated in at least one interview.	Share of recipients of unemployment benefits that have been unemployed between 3-6 months and have participated in at least 2 conversations with in the last 3 months.	Share of recipients of unemployment benefits with more than 6 months seniority that have participated in practical work training or received private wage subsidies
Average	85.8%	82.1%	10.0%
Spread	From 40% to 100%	From 50% to 97%	From 3% to 26%

Box 1: Facts about the reform

The Employment Reform came into force January 1st and July 1st 2015, respectively. Mandatory self-booking came into force September 1st 2016.

In addition to improving the efforts for the insured unemployed, the reform also has a clear target of improving cooperation with businesses. It also has a target of strengthening the service for the businesses of the country, so that they can get the labour power they need and the competencies of the unemployed match the relevant job openings.

The future employment efforts are based on a close and strengthened cooperation between job centres and unemployment insurance funds. The close cooperation shall ensure that the insured unemployed get the right help to achieve lasting attachment to the labour market as fast as possible.

In addition, educational institutions occupy a central position in the employment reform. The starting point is that, for many recipients of unemployment benefits, education, skill improvement and more competencies can be crucial for them in getting back into the labour market and into lasting employment.