Country Report

Denmark

Client: European Commission

Rotterdam, London, 20 October 2011

Country Report PES PMS

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ECORYS

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Summary

ID	
Country	Denmark
Name PES	National Labour Market Authority (Arbejdsmarkedsstyrelsen or AMS)
Name researcher	LS, MC
Additional remarks (e.g. source gaps, problems, challenges)	Country visited

1 Background information

General information PES		Source*
Mission & tasks & targets	The National Labour Market Authority - Arbejdsmarkedsstyrelsen (AMS) - helps ensure that Denmark has a flexible, dynamic and efficient labour market. The main challenge is to address the shortage of labour in the short and the long run. Also, to meet the challenges caused by the current recession and related unemployment. The National Labour Market Authority's primary strategic goal is to increase the supply of labour – getting people to move from unemployment and social security benefits to a job and young people without education to take an education. The Authority also helps in recruiting workers from abroad to sectors which have a shortage of labour. This contributes to ensuring a balanced labour market. Therefore the Authority focuses on: • Unemployed must get as quickly possible back to work - Long-term unemployment must be reduced; • Fewer people on permanent public benefits; • Young people must be in education or job; • More immigrants and descendants must have a job; • Increasing the inflow of foreign workers as supplement to the recruitment of Danish workers. The focus is on moving unemployed people into jobs as quickly as possible and youth into education. AMS is focused on the supply side and does not interfere in the demand side (but does collect data on this aspect).	Website (The English version of our website is unfortunately not updated). Interviews.
Organisational setup (nr. of central, regional and local offices)	Locally, there are 91 job centres which are locally governed and responsible for contact with citizens who are unemployed and enterprises which need workers. Until August 2009 the municipalities and the state shared the responsibility for putting employability enhancement measures into practice. Now the municipalities and their job centres have sole responsibility for all contact with unemployed people. Denmark has four employment regions which are part of the Authority and which support the job centres and ensure they perform well. In addition, the regions monitor general labour market trends. At local, regional and national levels, the social partners are involved through their participation in the Employment Councils. There is one employment council at the	Website. Interviews.

General information PES		Source*
	national level, four employment councils at the regional level and 91 employment councils at the local level, one in each of the municipalities with a job centre. The contact between the local and national level goes through the four employment regions. Workindenmark.dk is the official Danish website for international recruitment and job seeking. There are also three workindenmark centres dedicated to delivery of international services and 33 staff (25 EURES advisers and 8 working at central level to develop policy for international recruitment and closely linked with the PES in terms of strategy and policy). Only a small amount of international activity is integrated into job centres (and where this is the case it is mainly in Aarhus and Copenhagen). Instead there are EURES contact people in each job centre (training and a handbook is provided by EURES) who can provide information on the three regional centres.	
Human resources (nr. of staff if possible fte's) Please mention the year	143 FTE staff in 2009.	Annual report 2009.
Financial resources (annual budget) Please mention the year	In 2009, operating costs were just under 101m DKK. The municipalities themselves make decisions about resourcing for job centres.	Annual report 2009. Interviews.

Institutional context		Source
How closely linked is the PES to relevant governmental body? (*deconcentration*: is this a part of a ministry, is it a legal form, a separate agency?)	The Authority is part of the Ministry of Employment.	Website.
How much autonomy is given to regional and local level in PES? (*decentralisation*: who designs budget, the strategy etc.)	At the local level the municipalities are politically and financially responsible for employment measures for citizens and enterprises within the frameworks of legislation and the municipalities themselves make decisions about resourcing for job centres. The Regional Employment Councils have the task of monitoring labour market demand in the regions (on the basis of a national monitoring strategy to ensure comparability across regions) The councils work to a contract with the Ministry of Employment.	Interviews. DTI (2009).
To what degree are services or tasks outsourced to voluntary or private sector? (*Privatisation*: which services are outsourced and to whom?)	The job centres must ensure that unemployed people are interviewed about their situation and that they are given employability enhancement opportunities. The job centres can outsource parts of these responsibilities to external service providers. The definition of external service providers is very wide -	Website. Interviews.

Institutional context		Source
	the majority is private companies but also includes educational institutions and unemployment insurance funds. The success rate of external service providers is thought to be similar to that of the job centres.	

Country information		Source
Sending or receiving country? Please elaborate.	Given identified labour shortages, Denmark is a receiving country.	Interviews.
Background information: • % of employment; • % of unemployment; • the main challenges on the labour market.	Denmark has an ageing population and the number of people of working age is decreasing. The Danish labour market operates a flexicurity model which has been in place for many years and links to the Danish welfare model which is comprised of unemployment insurance (voluntary but covers about 77% of labour force) and social assistance (for those without insurance). The flexicurity model is a combination of: 1. flexibility in the labour market combined with; 2. social security; and 3. an active labour market policy with rights and obligations for unemployed persons. The labour market is characterised by a high level of flexibility and job mobility. The regulation concerning flexibility is primarily regulated by collective agreements. Flexible working hours have become more widespread. The downside of this flexibility is that individual companies are less inclined to invest in individual training but to some extent this is remediated by a state supported adult education and training system. Latest figures show a 79% participation rate and a 77% employment rate (81% for 50-59 age group, 28% for 60-66 due to voluntary retirement scheme). EU employment and social situation survey shows an unemployment rate of 7.2% (vs 9.5% EU average). Denmark's own statistics show a 5.8% unemployment rate (comprised of 3.8% registered unemployed and 2% in activation schemes).	DWP (2009). Interviews.

2 PES performance measurement systems – Design

Purpose		Source
For which purpose was the performance measurement system established and for which level? (check for accountability; management information)	The planning and monitoring tools are intended to have two purposes: one is to support the job centres in planning their employment measures; the other is to ensure accountability.	DWP (2009).

Indicators		Source
What types of indicators are used to measure performance? (in terms of: inputs, outputs, results, impacts)	Each year the minister determines headline indicators/objectives for job centres to report against: There are four main objectives set by the minister for 2011: • Labour reserve - number of persons unemployed and receiving more than 3 months of consistent public support; • number of persons on permanent maintenance arrangements (in the form of flexible jobs, unemployment or disability benefits); • number of persons under 30 and on public benefits; • number of non-western immigrants and their descendents on public benefits. In addition, the web portal also presents data on who has come into contact with the employment service, for how long, the inflows and outflows and how much it costs, plus contextual information (including registration data, information from Statistics Denmark on the labour market and supply and demand in the labour market and information on foreign workers – discussed under geog mobility section). The portal does not present input data as it is up to the municipalities to decide how they deliver services – AMS just interested in results and are not allowed to influence how services are organised at local level. AMS are currently designing a measure to count the number of interviews undertaken (output measure). The municipalities then set targets for the four national-wide objectives as part of the annual employment plan process. Municipalities can also set out further indicators/sub-indicators.	Interviews.

Indicators		Source
	Portal also shows how much subsidy has been paid and comparison to average. Data collection is focused on outputs/results but the portal also includes wider contextual data. There are plans to develop more indicators (e.g. to reflect number of interviews).	
Which (sub-) indicators are used for each type? (if there many, please put them in an annex)	See above.	Interviews.
Do indicators presuppose causal relationships (input-output; output-results; results-impact)? How?	They do not presuppose causality as AMS just focused on monitoring results. However control trials being used to explore what works. 'What goes on in municipalities is a black box and they have to accept this'.	Interviews.

Targets		Source
Do targets exists, i.e. are indicators quantified? For who are targets set (central office, local offices, individual employees)?	The minister sets each year a few overall objectives and targets. Job centres set their own targets as part of the annual employment plan process.	Interviews.
Are targets SMART?	Targets based on the headline indicators are specific and measurable. They are also time-bound (as apply to a given year), realistic and achievable (employment plans are evidence based and developed in consultation with employment councils).	Interviews.

Tools		Source
Does the PES PMS includes a Data Warehouse (DWH) and to which other administrations is this DWH linked?	Yes, the PMS includes a DWH which includes social security records.	Interviews.
Is a tool (e.g. Balanced Scorecard) for presenting management information available?	Information is made available via the jobindsats.dk web-based portal and benchmarking tool.	Interviews.

Quality assurance		Source
Is quality of client satisfaction measured? How and frequency?	Once a year a survey is undertaken by AMS to assess satisfaction (of employees but sometime also employers). Municipalities may also undertake there own surveys.	Interviews.

Management and support		Source
What are the main data sources of the PMS?	The system is primarily based on data from the local level so is reliant on the stability of the infrastructure and the quality of data inputs.	Interviews.
How is data collected and updated?	Job centres are obliged to provide the data to AMS (details of what needs to be provided is written into legislation). This is transferred from their back office systems (across all job centres there are only 2 data service providers so this helps to ensure consistency and cooperation). Staff at AMS process the data from job centres, add data from other sources (e.g. contextual data from statistical agency) and then present it back to the municipalities via the portal. Occasionally there are differences in interpretation – where this happens AMS will adjust figures accordingly.	Interviews.
Who has access to the data generated by the PMS?	The web portal is accessible to all.	Interviews.

Tagging customers		Source
Are customers willing to work abroad or willing to hire foreigners especially tagged in the system?	Yes, employers willing to recruit foreign workers from abroad.	Ecorys Web survey.

Tracking customers		Source
Is contact maintained with clients to ascertain the results of activity/support provided? For example, are any follow-up surveys undertaken?	Information is collected by advisers by making contact with clients every three months to check progress.	Interviews.

Influence PES resources on PMS		Source
In which ways and to what extent is the PES PMS influenced by the PES resources, business models and national priorities?	Resources for job centres are determined by the municipalities. The indicators reflect national priorities (reflected in the contracts with the minister).	Interviews.

3 PES performance measurement systems - Use

Performance management areas		Source
Is performance measurement being use for the operational, tactical or strategic level? By whom?	In Denmark, the performance of local job centres is monitored by the Employment regions and the local employment council with representatives from various stakeholders such as the social partners, municipality representatives and disability organisations.	DTI (2009).
At which level (s) of the organisation is performance management practiced?	Information from the PMS is used at local, regional and national levels.	Interviews.
In which management areas (Human resources, Financial resources, Quality management, and Strategy development) are the findings of performance measurement used?	At national level they are used to inform strategy development and policy-making.	Interviews.

PES mission and target setting		Source
Please describe the target-setting process: actors involved, frequency, etc.	Targets are set as part of the annual employment planning process.	Interviews.

Benchmarking		Source
Are sub national PES offices benchmarked for functional reasons, including	Yes, the web portal allows for benchmarking of local offices. Offices have been clustered with those that share similar characteristics in order to allow meaningful comparisons.	Interviews.

Rewards		Source
Is target-realisation rewarded? How?	No, not by the PES as there is a high level of autonomy of local offices.	Interviews.

4 EURES

Information about EURES		Source
General information about EURES (number fte's, cooperation with PES)	Denmark has a different structure for EURES compared to other countries. There are 3 regional centres dedicated to delivery of international services. EURES has 33 staff (25 are EURES advisers, the remaining 8 work at central level to develop policy for international recruitment). Only a small amount of activity is integrated into job centres (mainly in Aarhus and Copenhagen). However, there are EURES contact people in job centres who can provide information and for whom training and a handbook is provided.	Interviews.
Most important stages and tools	Activity consists of a range of information and marketing, primarily delivered through the workindenmark.dk website. Also have website seasonalwork.dk and support this with events abroad with interviews held on the day to recruit seasonal workers. Proactively work with identified groups of employers (sometimes take them to job fairs, etc.). Also run eures.dk website for Danish workers who want to work abroad. However focus is on recruiting foreign workers as are expecting widespread labour shortages (which already exist in some sectors).	Interviews.
Assessment of the tools: what works well and why and what needs some improvement.	Felt it was important to establish something that would be useful and understood by Danish employers – previously found EURES too far removed and that the EURES portal was not what employers wanted, so created a new structure. Providing self service tools is very important, but given the focus on tailored services targeting specific employers needs, a handheld approach must also be applied Work with colleagues in other countries to target the required individuals e.g. via job fairs or recruitment days (approach tailored towards the group they want to attract). Also provide website and advice for Danish citizens looking to work abroad but this is not the main focus.	Interviews.
Which factors facilitate or hinder cross-national placement of individuals by EURES. Describe short their impact.	Language is a key barrier to attracting migrant workers – Danish not widely spoken outside of Denmark so as a minimum require people to speak some English. Municipalities deliver language courses to migrants for free or a small Fee to facilitate integration. There are also some issues with recognition of professional skills for in-migrants, particularly in the healthcare sector.	Interviews.

Information about EURES		Source
	Housing is also an issue as it can be difficult to rent in some areas of Denmark and is expensive to buy. Also some people are put off as they feel that the tax rates are too high. EURES does not provide active support with finding housing, schools, etc. However, the government has set up 4 service centres which allow migrants to complete paperwork for different agencies all in one building making the process easier. For commuters there have been some clashes in social security systems e.g. Sweden has an employer tax so if an individual works part-time in Denmark then the employer has to pay this tax.	
Opinion on the current way/form of reporting in the EA Monthly reports? What works well what does not.	EURES monthly reporting is not derived from what they would normally do (i.e. is not a natural part of the process). Some of the required figures are not seen as relevant (e.g. number of calls made is not necessarily a measure of performance) and sometimes responses are also based on guess-work (e.g. Q7 – feels that it is impossible to say how many people have gained employment as can only count how many candidates have been presented to a company). Feel that they cannot require the company to report back on how many candidates have been employed as companies would have to spend time doing this and making this request may damage the relationship/goodwill which has been built up. Understand that it is important to show what EURES does, justify the resources and demonstrate the contribution but the report should ask for less information and be more focused on meaningful measures.	Interviews.
Alternative ways for measuring the performance of EURES (describe shortly)	In Denmark the performance of EURES is measured according to the following 7 output measures (and associated targets): 1. number of jobs in job bank (flow measure) (target = 3,150 in 2011); 2. number of CVs (20,000); 3. follow-up on jobs (5,100 calls to employers); 4. presentation of selected candidates (3,500) – important as nearest can get to placement measure; 5. number of job adverts brought to job fairs (1,550); 6. number of companies on list of jobs for spouses (have found that spouses of migrants sometimes struggle to find work and so provide list of opportunities; companies on this list tend to be	Interviews.

Information about EURES		Source
	ones who understand this issue and hope that the list will help to facilitate recruitment from abroad) (150); 7. number of foreign workers participating in job seeking courses (it is part of their remit to try to encourage migrants who have lost their job to stay in Denmark rather than return home) (1,900). These measures can all be counted and reflect the focus on helping Danish employers to recruit. Each year a strategy is developed for EURES and they agree targets as part of this (justification presented). These indicators have been in place since 2010. Output data from the current year will feed into the production of the next year's plan.	
What other data is available for measuring the performance of EURES (other than that included in the monthly reports)?	Feels that the above indicators are the most appropriate indicators to assess performance of EURES and also meet the demands of ministry. It is also possible to break the information down to look at things in more detail e.g. by type of employer/sector or by project level (recruitment projects contribute to the seven measures but may also have additional measures, e.g. number of meetings, and associated targets).	Interviews.
In your opinion, what are (or could be) the best indicators for measuring the impact of EURES on geographical mobility?	Recognises that it is also important to understand movements in mobility/migration so makes use of the available data on this. However, would like more detailed information on sectors as feels that the current breakdown is not detailed enough. Also commented that his team should be able to understand the demands and needs of employers without statistics (e.g. by talking to employers), particularly as the economy can often shift more quickly and emphasis can change in ways that statistics cannot detect.	Interviews.

5 Geographical labour mobility

5.1 Design

Specific to geographical mobility		Source
Is the performance of geographical mobility activities other than EURES assessed?	There is a strategic objective around supporting labour immigration to Denmark (performance measured by the number of foreign workers). Beyond that it is not clear how the performance of geographical mobility activity is assessed. Focus on encouraging in-migration. Expect labour force to decline rapidly from 2015. Have list of professions which lack skilled workers (developed by ministry of immigration) and is used to facilitate permissions for those who have these skills.	Interviews.
Do indicators related to geographical mobility activity exist within the PES performance measurement system?	The tool to assess migration is not part of the PES PMS.	Interviews.
Are targets in place?	No explicit targets are in place regarding migration.	Interviews.
Does the PES collect any (other) data on geographical mobility activity (i.e. which is not included in the performance measurement system)?	PES is interested in how many people come to Denmark and work. The Jobindsats website has a section on foreign labour force which contains data on mobility e.g. shows in-flow of foreign citizens who apply for permission to work (data provided by immigration authority but excludes other Nordic countries as an agreement exists, however citizens from other EU countries are captured through applications for CPR). This indicates the flow of migrants. The stock of migrants is also recorded, estimated from tax system data in terms of an absolute number and as FTEs. This data includes all countries and can be viewed by area, time period and whether they are resident in Denmark or not (i.e. commuters), also type of allowance, country of origin and sector of employment. Plan to add further categories (gender, age, time to issue of CPR number). When citizens from other EU countries register with authorities in Denmark they are asked to provide details of qualifications but this data is considered incomplete and unreliable and so is not presented. It would also be possible to present data on out-migration (e.g. CPR system has data on first	Interviews.

Specific to geographical mobility		Source
	destination of people who leave Denmark) but they are not so interested in this as the policy focus is on encouraging in-migrants. PES developed new tool (it has been in place since early June 2011) to describe labour in-migration. The purpose of this is to facilitate monitoring of the labour market and inform labour market policy making. Tool has 1,100 professions and monitors the balance (supply and demand) of these and provides this information to the ministry of immigration (to inform development of list). The tool categorises each profession as poor (surplus of labour), balanced or good (with 3 sub-categories: genuine shortage of labour, mismatch of skills, structural shortage across every region). The tool is publically available (via jobindsats.dk). Assessment is based upon data on variables such as employment, unemployment, job turnover and a survey of 15k employers regarding employment difficulties. The tool also draws on data collected through new tax system (companies supposed to register each month who they employ and their salary, also records nationality). All people who live or pay taxes in Denmark have a central registration number (CPR) this allows analysis of where people live and where they work.	
Does the PES also monitor geographical labour mobility on the basis of data provided by another organisation (e.g. statistical office)? Which indicators are used?	Statistics authority collects data on movement within Denmark, based on registers. This data takes time to produce so is difficult to use actively.	Interviews.
Where in the PES is data collected and processed?	Relevant data mostly obtained from existing registers (e.g. immigration, tax registers).	Interviews.
How is quality of service/client satisfaction related to geographical labour mobility activities measured?	As above.	Interviews.
Is contact maintained with clients to ascertain the results of services related to geographical labour mobility provided? For example, are any follow-up surveys undertaken?	No – do not have a process for asking the job seeker to report outcomes although could set up an email system for this. However, this would not capture all results (e.g. someone who uploads a CV and finds a job as a result).	Interviews.

5.2 Use

Specific to geographical mobility		Source
At what organisational level (strategic, operational, etc.) and frequency is the effectiveness of services related geographical mobility monitored?	EURES monthly reporting is not derived from what they would normally do (is not a natural part of the process). The required figures are not necessarily seen as relevant (e.g. number of calls made) and sometimes also based on guess-work (e.g. Q7 – impossible to say as can only count how many candidates have been presented to a company and cannot require the company to report back on how many have been employed as this will take up time and may damage the relationship which has been built up). Understand that it is important to show what EURES does, justify the resources and demonstrate the contribution but the report should ask for less information/be more focused. Goal – that EURES will contribute to a growing number of foreign workers in Denmark (but recognise that other factors, e.g. macro-economic climate, will influence this too). In general they have seen increasing migration but a reducing number of commuters. Have 7 output measures (and associated targets): 1. number of jobs in job bank (flow measures) (3,150 in 2011); 2. number of CVs (20,000); 3. follow-up on jobs (5,100 calls to employers); 4. presentation of selected candidates (3,500) – important as nearest can get to placement measure; 5. number of job adverts brought to job fairs (1,550); 6. number of companies on list of jobs for spouses (150); 7. number of foreign workers participating in job seeking courses (part of work to keep those who have lost their job in Denmark) (1,900). These measures can all be counted and reflect the focus on helping Danish employers. Each year a strategy is developed for EURES and they agree targets as part of this (justification presented). Has been in place since 2010. Feel these are most appropriate indicators to assess performance and also meet demands of ministry. Can also look at detail e.g. types of employers or details at project level (e.g. outputs from project to find engineers, which may contribute to seven outputs	Interviews.

Specific to geographical mobility		Source
	but also have additional measures e.g. number of meetings, projects would also have own targets). A user satisfaction survey is undertaken with people who take part in courses.	
Is monitoring information or data used to inform future activity/resource allocation?	This output data will feed into production of next years plan. Also important to understand movements in mobility so use the available data on this – would like more detailed information on sectors (feel it is too broad at the moment). High numbers of migrants work in simple services (e.g. cleaning) but would like to encourage more high-skilled. Also feel that should be able to understand demands and needs without statistics (e.g. by talking to employers). The economy can shift more quickly than statistics can detect.	Interviews.
Are good practices identified and shared? By whom?	Not covered.	Interviews.
Where and when is information on geographical mobility and associated activity used? Is it shared with cross-border/trans-national partners?	Statistical data is available to all via the web portal.	Interviews.

Annex

Used sources
Annual Report (2009).
Danish Technological Institute (2009) The role of the public employment services related to flexicurity in the European labour markets.
Department for Work and Pensions (2009). International review of Performance Management.
Systems in Public Employment Services.
Interviewees: (all AMS)
Ms Eleonore Fenne, International Relations Dept;
Mr Anders Pederson, Statistics Dept;
Mr Kennson Wong, Statistics Dept;
Mr Kristian Bak, Performance Management Dept;
Mr Enevold Dyekjær, Statistics Dept;
Mr. Kristian Krüger Henriksen, Statistics Dept;
Mr Niels Højensgaard, EURES Manager.

List of indicators
See main text.

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