

Social Quality and the Policy Domain of Employment

Danish National Report

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1. Introduction

This is a concise and qualitative description of the relations between flexibility and security in the context of the Danish labour market structure. Although we attempt here to provide a succinct picture of the labour market, yet in terms of focus of attention and evaluation it does not preclude the possibilities of alternative accounts and valid description of the subject. The presentation, which is based on some specific perspectives, observations and experiences of the problematic in Danish context, will hopefully contribute to some general clarity on the conceptual essence of flexicurity and the relation between flexicurity and social quality.

We wish to present an outline of the flexicurity, which by way of comparison can provide an opportunity for seeing the similarities and contrasts between the contexts of different countries – and a possibility to see some identical areas of concern. Along with other presentations, hopefully this will provide a nuance view on concepts of flexicurity and social quality. We would like to add a final word of caution: It has not been possible for us to operationalise all the conceptual components of social quality as that would obviously require a much more rigorous effort to collect all the necessary data which the theory on social quality begs for to explicate reciprocity between the systems and institutions on the one hand and individuals and communities on the other. Likewise, a few topics of statistical measurements are not included in the report, because of their non-availability before the deadline. In some other areas, the search for required data showed that it did not exist in a centralised register e.g. various indicators for forms of care leave. Unfortunately, there is also a lack of academic research in the field, which could indicate, how flexicurity, or the prevailing arrangements of flexibility and social security in employment is experienced by various segments of population at the labour market (i.e. gender, parents, lone parents, high and low-salaried workers or public servants, managerial classes, unemployed on daily allowances). The table below provides a few basic indicators of Danish labour market by the year 2000.

Table 1: Labour Profile for the population over 25 years. 2000

	Total		Males		Females	
	EU-15	DK	EU-15	DK	EU-15	DK
Active (1000)	151 206	2 403	86 340	1 286	64 865	1 116
Inactive (1000)	111 771	1 323	39 738	541	72 041	782
Activity rate %	57,5	64,5	68,5	70,4	47,4	58,8
Employed (1000)	140 230	2 304	81 024	1 239	59207	1 065
Unemployment (1000)	10 975	98	5 317	46	5659	51
Unemployment rate (%)	7,3	4,1	6,2	3,6	8,7	4,6
Long-term unemployment (>12 mth.) as percent of the total unemployment			44,2	20,1	46,3	20,0

Source: LFS 2000

1.1 General features of relationship between flexibility and security in the Danish context

Denmark is characterised by

- A high activity rate, especially among women (see above)
- High flexibility with regards to active participation of the employees in process of changes in the firm.
- Ample possibilities for the employers to lay off the workers (see employment relation)
- High mobility at the labour-market.
- A relatively high level of social security with regard to social payments (see income security)
- And a relatively great number of people who are dependent on transfer-incomes.

In Denmark, the activity rate for the population above 25 is relatively high (64,5% in Denmark and 57,5 in EU-15). This has primarily to do with a high employment rate among the females (58,8 in Denmark compared with 47,4 in EU-15), as a result of long standing family, social as well as educational policy, which has reduced the burden of family care for women (i.e. through expansion of day-care centres for children and public institutions for the care of elders).

Other factors have also played their part in this development: for instance, reduction in the number of independent business-owners and self-employed and a phenomenal growth of small nuclear family units, and growth of households with only one person (over half of the total households). Thus, there has been a tremendous growth in the volume of salaried employment throughout the years, concomitant with lessening of dependency on the family bonds and locality.

Activity rate and unemployment rate seems to indicate a relatively high equality of opportunities among the sexes. However, the gender related segregation of the labour market has been maintained and even a little increased in the last 10 years, even though women are much better educated to day than they were 20 years ago. Generally speaking there are two different labour markets: one for men and an other for women. The wages are in average 20% lower at the 'female labour market' than at the 'male labour market'.

Now, this development has reduced the role and capacity of a family to be a breadwinner for all its members significantly, and the share of population that lives on social care allowances has been growing through several years. Thus the youth over 18 years of age taking education, can live – and do so to a large extent – on public support, coupled with part-time salaried employment. People in the economically active-age who are unable to sell their labour do not fall back on the family, but are supported by the public schemes of economic and social security. The elderly people, likewise, support themselves through public pension schemes, collective pension arrangements in the labour market and through their own savings. For those who are in poor health the municipal offers care for the daily household – cleaning, preparation of food etc.

Danish society can be said to be characterised by a high level of individualisation, underpinned by a range of social benefits schemes and social care arrangements. This individualisation is connected with a labour market system, where collective bargaining systems and arrangements stand firm and strong. Thus, above 80% of the wage earners are organised in trade unions. The trade-unions and professional associations wield a great deal of power and influence not only on decision-making at the workplace, but also at local community level as well as nationally.

The labour unions and other professional associations exert an active influence in the processes of change and development in the firms, and a very large share of labour market related social security is an outcome of collective bargaining between the unions and the employers' associations. These negotiations embrace areas such as determination of working hours, various types of labour relations, and to a large extent, the very level of income security. Likewise, there is a range of agreements, pertaining to flexibility and income security that are reached through a system of tripartite negotiations, involving the trade unions, employers' associations and the state.

At the level of a firm, the 'flexcurity' is thus a negotiated outcome of mutual agreements between the trade unions and the employers' associations, founded on the institutionalised principles of Danish industrial relations.

Already in 1947, preceding a number of regulatory measures for the labour market during the first half of the century, the employers and trade unions reached a so-called 'accord on cooperation' which stipulated them simultaneously to cooperate on boosting productivity on the one hand, and improving of working conditions for the employees on the other. This formalised system of cooperation played a central role in the developmental process of introducing Taylorism in the industrial production during the decades of 1950s and 60s. In the process, both the parties contributed towards diffusion of Tayloristic method of mass production in such a way that the working conditions and the level of wages were negotiated all along in connection with the advent of the system of scientific management of production.

Later on, in the 1970s, the work-environment became a focused domain of labour market negotiations. And during the 80s the employers' associations and trade unions reached yet another agreement to include the implementation of new technologies in the labour market negotiations, which secured the employees' influence in matters of interests related to new technologies that were spreading in the production systems at that time. And during the 1990s a number of trade unions and the employers associations were working on a new theme, 'The Developmental Work' (Hvid og Møller, 2001), as a formal agenda of the labour market negotiations. 'The Developmental Work' was a trade union response to the increasing emphasis by the employers on human resource management and the flexible production regime.

This formalised system of cooperation has helped to develop a labour force that is highly flexible towards, and motivated for, change and innovations in the systems of production. Hence, the labour force in Denmark is regarded today as one of the most development-oriented labour in the world (Kompetencerådet, 2000). The active participation by the workers in processes of production development and structure has thus contributed highly towards enhanced flexibility at the labour market. However, it remains rather unclear whether the active participation by the labour has brought with it a greater security as well. The rate of expulsion from employment due to health or insufficient qualifications remains high. However research indicates that the expulsion rate in connection with flexibilisation of work and production remains lower in those branches of industry in which the cooperation between the employers and the employees is excellent, compared to the ones, where such cooperation is not esteemed high. (Sørensen et al., 2000).

When it comes to unemployment, Denmark has for the time being a relatively low unemployment rate (se Table 1.) (4,1% in Denmark and 7,3 in EU-15. The difference is higher among women (4,6% among in Denmark and 8,7 in EU-15). The long-term unemployment as percentage of the total unemployment is significant lower in Denmark than in the EU. In Denmark 20% of the unemployed have been unemployed in more than 12 month. In EU-15 45,2% of the unemployed are long-term

unemployed. This could be seen as a success for the 'active labour market policy' in Denmark. However, a low general unemployment make it easier to reduce the long-term unemployment.

2. Employment Relations

Denmark is a country in which most of the economically active population earns its living as employees. Only 3.3% of the population is self-employed which is quite a low percentage compared to several other members of the EU. The largest part of the employees are organised in trade unions (over 83%) and works under permanent contracts of employment with all the benefits which such contracts entail i.e., pensions, holidays with pay and so on. Only a small portion of the labour force earns its living through non-standard work or "contingent employment" and it has not increased in any significant number in the last 15-20 years.

A survey from 2000 (Mortensen, 2000) shows that in 1999 91% of the total labour force in employment were working under permanent employment conditions and contracts and only 9% were working under conditions of contingent employment. The proportion of employees working under non-standard conditions has apparently not increased in the last 10 years. A comparable OECD survey from 1990 estimated the proportion of non-standard employees to 10,8% of the employed. Following are the main types of contingent employment:

- self-employed (typically specialised in specific tasks and services. 2% of the employed)
- temporary employment (task based occupation (2% of the employed), fixed-term appointment (1% of the employed), temporary employment, often hired
- through an agency (3% of the employed), other arrangements 1% of the employment)
- the secondary occupation (highly qualified, expertise who have second occupation besides the main job). They are not included here.

It has been noted that the number of highly qualified employees working in non-standard jobs has been increasing. Among the self-employed there are relatively many highly educated men (more than 50%), and among those with a fixed-term appointment more than 50% are women. This change can be attributed to the structural changes within the economy and the gender segregation among the highly educated employees.

Both self employed and temporary employed has been a fixed proportion of the employed in the last 20 years. In our neighbouring countries the proportion of temporary employed has been increasing in the same period. One main reason for this stability is that the employment protection for the permanent employed is quite weak. Under permanent employment the discharge notice is quite short and quite cheap for the employers. Denmark belongs to the OECD countries with the lowest employment protection (OECD 1999). The level of employment protection in Denmark is similar to the level in the English speaking countries: UK, USA, Australia etc. The level of employment protection is

significant lower than in the other North European countries and much lower than in the South European countries.

In Denmark employers have the same extra expenditures when they hire people under contingent employment terms, as compared with the permanent, contract-based employment. The permanent employees on hourly wages, about half of the labour market, can in practice be discharged from one day to the next. The white-collars, who are paid salaries on monthly basis, and whose employment terms are regulated by law, must have a 1-6 months notice prior to the termination of job contract. Relatively more and more people in these years are being included in this category of employment. This may result into a situation that more people in future might be working under contingent employment terms with low security and uncertain conditions. The professional associations and trade unions have perhaps accepted the low security in the job situation, because the rate of compensation under unemployment has been relatively high. The high rate of unemployment benefits has made it more acceptable and perhaps in some cases outright attractive for many wage-earners to remain flexible to short periods of employment, with once in a while interruption by periods of unemployment benefits.

Most union members are also members of the unemployment security system, related to the trade unions - the so-called 'A-kasser'. They have traditionally not only paid the benefits to the unemployed, they have also functioned as work agencies. However there has also in many years been one national work agency, run by the state. This public work agency has now got competition from private work agencies.

A recent EU directive to the member state has though advised all the state to take some legal measures so that the people dependent on contingent or temporary employment enjoy the same security and benefits (i.e. pensions, discharge notices, holidays, income-regulation) as the rest of the labour force. Since the proportion of labour working under contingent employment term is relatively quite small in Denmark, for instance, compared to Spain and Belgium, it is quite likely that these terms of job security and benefits will be negotiated through the traditional labour market negotiations in Denmark and may not require special legislation.

3. Working Time

The working hours are a little lower in Denmark for men than the average in EU, and a little higher for women, see Table 2.

Table 2: Working hours per week, average year 2000

	Denmark	EU - 15
Males	40.8	41.9
Females	34.4	33.2

Source: LFS

The annual working hours has increased significant in the last five years. In 1995 the average working hour pr. year were 1260. In 2000 it was 1297. The Danes are working one week more each year – in average – even though the holidays have been extended in the same period with some days. The reason is that part time work has decreased, and more people have long working hours and long working weeks.

Table 3: Proportion (%) of employees on part time (less than 30 hours a week)

	1990	1995	2000
Men	4	5	4
Women	24	19	15

Source: Tüchsen et.al. 2002

An other reason for the increase of the annual working hours is the fact, that many men are working long hours: long days and/or long weeks.

Table 4: Proportion (%) of employees working long days and long weeks

	Long weeks More than 48 hours a week in average	Long days More than 10 hours a day in average
Men	22	12
Women	8	4

The long week is found in certain sectors of the economy – mostly sectors with few women: in construction, lorry drivers, shop owners and male academics. However it seems as if long working weeks are less common in Denmark than the average of Europe. According to Eurostat about 28% of all employed in Denmark are working more than 40 hours a week. In EU-15 58% are working more than 40 hours a week.

The work-hours as generally are not regulated by the labour market legislation in Denmark. A clause in the work environment act, however, like in many other countries, stipulates a minimum of 11 hours rest from work between the two working days. Similarly, and on the initiative of the EU, regulations on working hours for the children and youth are also introduced in the law. Besides these few provisions of a framework nature in the national legislation, the work-hours are settled mainly through formalised negotiations at the labour market. The very first national accord on the work-hours was reached in 1916, which has been incorporated in a range of agreements signed by both the parties, employers' associations and the trade unions, ever since.

During the 1980 the norms for the weekly working hours were reduced from 40 to 37 hours a week. This reduction were settled through a lot of collective agreements at the labour market.

Although this agreement is still in force as a guiding principle, yet various branches and sectors, through their mutual agreements, have accepted more flexibility with regards to the work-hours. Most of the industrial sector is covered by the framework agreement on 37 hours as a guiding principle. Under the last labour market negotiation, the flexibility was stretched so far as to allow each workplace or a firm to determine for itself whether the work-time should be calculated on weekly basis or biannually. However, this presupposes a mutual agreement at the local level of a firm. Otherwise, the rule 37 hours a week remains valid. The deviation from the rule of 37 hours a week is possible only through a prior notice to the employees and their own consent on taking overtime work.

By going into such an agreement on flexibility, the employers' association have got fulfilled their long-standing desire on the type of work-time schedules, that gives them the possibility of adjusting the input of labour hours with respect to demand orders, or the desired volume of production etc. The employees on the other hand, who spent a good deal of time on transportation to work, are happier with completing the working period in few days. Likewise there can be some other reasons for which some employees wish to have more free days from work. Others, especially the women, may wish to utilise flexibility with regards to work-hours to make it harmonise with the needs of their families. Nevertheless, we do not have any systematic evidence to the clue that existing flexibility in work-time is a plus-sum-game for the employers and the employees at the same time. But we are of the view

that the interests of the employers', in reality, stand stronger than any individual employee's needs with regard to work-time schedules and their length.

In the past few years, the so-called 'flex-time' has become a widespread practice in the labour market. The flexitime means that there is no fixed schedule as to what time of the day an individual employee should meet at work, or to leave the workplace. In accordance with a register that keeps data on each employee's incoming and outgoing time, the each employee may determine him or herself as when to complete the total hours of work within a specific period. The flexitime is also quite popular among the employees because it provides them with a greater freedom to decide about their work-schedules in light of their personal preferences with regards to the family and leisure. The employers can gain from such arrangements in form of more effective labour input, because the employees are relatively fresh when they meet at work and they do not have to ask for temporary leaves from work for the errands such as a visit to the doctor or a dentist etc. Such types of errand usually take place during the off-hours from work in a flexitime work schedule.

One research, however, points at that the employees who work under flexitime arrangements are often more stressed than the workers who meet at work under regular schedules. (Holt, 1996). This 'paradox' was explained by pointing to the fact that the people who work under flex-time schedule are often held liable to satisfy all the demands at home and work. Under the flex-time arrangement one has to be 100% at work during the working hours, and one is often reluctant to ask family and friends for a helping hand (e.g. in fetching of children from the school or nursery), because the others know also that you are working under flexible conditions of work-time.

Under the last labour market negotiations, an agreement on an additional week of holidays was reached between the two parties. This additional week of holidays was supposed to be introduced in various sectors and branches of industry in different paces and stages during the years to follow. The demand for this additional week of holidays was also formulated more or less in the flexibility discourse. However, while the employees have a high control over their usual 5 weeks of holidays as when and how to spend these, the additional 6th week is supposed to be decided by the employers according to their own requirement of production volume and pace. The employers would have a free hand in allocation of the 6th week, and they might even split it into single days and allocate each day in accordance with their production schedules, rather than acknowledging the individual needs and preferences of the employees. In most agreements it is possible to replace holydays in the 6th week in favour of monetary allowances.

The length of the real working time per employee has been on increase since a decade now and in fact for men is higher than the 40 hours a week that was set as the norm until the early 80s. For

women the numbers of part time workers has decreased, and the average weekly working hours are now 34,4. There are several reasons for the increase in working hours. The challenging work with individual responsibility, and career-oriented employment, has become more widespread today. This puts pressure on the work-time consumption, which in its turn has been made possible by greater availability of service institutions for the family and longer opening hours for shopping and services i.e. childcare centres, shopping malls, banks, libraries etc.

Even though there has not yet been a significant increase in atypical work. As it is seen in table 3 to 6 atypical work patterns are in Denmark under EU-average. However Danish women have atypical work patterns around EU average, while Danish men stick more to the typical working hours than the EU average. An exception is work on Sundays, where the Danish are working more than the average European.

Table 5: Work at night, year 2000 (% of total employment)

	Males		Females		Total	
	EU-15	DK	EU-15	DK	EU-15	DK
Usually	9.2	8.3	5.4	7.0	7.6	7.1
Sometimes	12.2	9.4	5.6	4.7	9.3	7.2
Never	78.6	82.3	89.0	89.5	83.1	85.7

Table 6: Working on Saturday, year 2000 (% of total employment)

	Males		Females		Total	
	EU-15	DK	EU-15	DK	EU-15	DK
Usually	28.0	23.0	27.8	28.1	27.9	25.4
Sometimes	28.8	25.2	15.9	15.2	24.9	20.5
Never	43.2	51.8	52.3	56.7	47.1	54.1

Table 7: Working on Sunday, Year 2000 (% of total employment)

	Males		Females		Total	
	EU-15	DK	EU-15	DK	EU-15	DK
Usually	11.2	17.8	11.7	21.4	11.4	19.5
Sometimes	21.3	20.9	15.0	12.5	18.6	17.0
Never	67.5	61.2	73.3	66.1	70.0	63.5

Table 8: Working on Shifts, year 2000 (% of total employment)

	Males		Females		Total	
	EU-15	DK	EU-15	DK	EU-15	DK
Usually	14.3	5.7	10.8	6.4	12.7	6.0
Sometimes	2.1	2.0	1.2	1.7	1.0	1.9
Never	83.6	92.3	88.0	91.9	85.6	92.1

Source: LFS

4. Income Security

The unemployment insurance system (the A-kasse system) is the most important income security system for wage earners, and it functions as a norm-setter for the rest of the social security system. As it is seen in table 7 a relative high part of the Danish social benefits are allocated to unemployment benefits, and a relatively smaller part to old age pensions etc.

Table 9: Social benefits by group functions 1999 (as % of total benefits)

	Old-age + Survivors	Sickness/ Health care + Disability	Family/ Children	Unemployment	Housing + Social Exclusion n.e.c
EU-15	46.0	34.9	8.5	6.8	3.8
Denmark	38.0	31.7	13.0	11.2	6.1

Source Eurstat/2002

The A-kasse system in its origin and to a large degree even today is a system of insurance of the members by their trade unions. It was established in the first decade of the 20th century, with its own charter and management. During the 1960s, however, it was merged with the social and labour market policies of the state in a manner that the government supplement the 'A-kasse' of the labour unions or professional associations. Under periods of high unemployment the government transferred funds to the A-kasse and under low level of unemployment the contribution was stopped. There have been also some instances during which the A-kasse were supposed to pay back to the state.

With the economic involving of the state in the unemployment insurance schemes of the A-kasse, the state also formed the legal frame for the regulations of the A-kasse system as well. This has resulted in a very complex system of rules and regulations in the system.

The main principles underlying the A-Kasse system are as follows:

To become a member of an A-kasse, one is required to be connected to a specific area or discipline of profession. But, there is also a very small multi-disciplinary A-kasse that is run by a Christian association.

To receive the daily allowance under unemployment, one must be unemployed after having worked for a certain period of time, and a paying member of the A-kasse for at least one year. Moreover, one

must be fit for work and one should actively search for gainful employment during the period under which one is living on the daily allowance under unemployment insurance scheme of the A-kasse.

According to the current rules, the level of daily allowance shall by no circumstances exceed 85% of the salaried income during the last period of employment, but with the highest limit set around about 12.000 DKr per month (1632 EURO), regardless of the level of salaried income. This compensation by the A-kasse under the period of unemployment does not take the income of the spouse or the household into the account. Likewise the savings in the bank etc. have no influence on the level of provision. The level of compensation on average has been falling during the past few years, as it is not pegged with the rising level of salaried incomes or rate of wages.

The A-Kasse are also supposed to help its unemployed members to find a new job. But the A-kasse have always been in sort of competition with the state-run employment exchanges. Compared to the public employment exchanges, the mediation of job opportunities has always been a much cheaper affair for the A-kasse. But the scepticism that the A-kasses are inclined to pursue their own union policies in job mediation, the state has erected its own parallel system of job mediation through public employment exchanges. In recent years private employment exchange bureaus have arose.

The income security by the system of A-kasse is not unlimited, but under the present rules, it can be provided up till a maximum period of four years. In the meanwhile, and especially during the last two decades, a number of security measures with regards to rehabilitation of the unemployed members of the A-kasse have been introduced. The goal of such measures is to provide some safeguards against their dropping from the A-kasse insurance scheme. These include refreshing courses, job-training activities and even offer of an alternative job of permanent or temporary nature.

The A-kasse system during the last ten years has been undergoing two major changes, to meet the goals of *'the active labour market policy'*. Firstly, it is made more difficult to be entitled to unemployment benefit, especially for the younger population. And secondly, the activities to motivate the unemployed members for finding new jobs are more and more intensified. They are constantly kept active through compulsory training and courses (usually in cooperation with the public employment exchanges) and they are offered alternative employment, or education, at quite an earlier stage of their unemployment period as compared to the previous decade. These offers for alternative jobs, other than one is otherwise specialised for, can only be refused on the cost of losing the unemployment allowance.

The victims of unemployment, who are not the paying members, or who otherwise do not fulfil the criteria of drawing unemployment allowance from an A-kasse, are directed to the social office of the

city council or the municipalities. The level of provision by the social office is far below the level of unemployment allowance by an A-Kasse. And it is also far less attractive to be on the 'dole'. The social security allowance provision accounts for the total income of the household as well as any saving or the property of the family. The unemployed people who live on the social security allowances are also deprived of the job mediation service by the unions or A-Kasse. Also this group of people during the recent years have become a target of intensified job-training activities under the dominance of a *workfare* policy.

Those who are not entitled to unemployment benefit and those who have not been enrolled in a labour market pension scheme are those who have the greatest risk of poverty. In Denmark 12% of the persons have low income compared with 17% for EU-13 (Source: ECHP, 1996, Eurostat).

To summarise the foregoing, the established system of income security contributes to flexibility at the labour market in a following manner:

It legitimates a personal policy in the firms that is characterised with a 'hire and fire practice'.

It is tied to a profession-specific system of job mediation in which professional associations and the local communities partake in the exchange of employment opportunities.

The system of income security is increasingly being tied to an active employment policy that requires upgrading of existing qualifications and skills, re-qualification, and it is geared towards creation of specific jobs for the unemployed under unusual or special conditions that do not leave much space for personal choice and refusal of an offer of some alternative job or re-education.

An other important contribution to the *active labour market policy* is the extended system of vocational training and re-education for adults, called the VEU-Reform.

This reform package on the labour market came into effect from the 1st January 2001 by replacing the law of leave for (re) education. According to the Ministry of Labour, by introducing this package, Denmark has already taken into account those conclusions that were reached by the The European Council in its meeting in Lisbon in March 2000 aimed at guaranteeing educational competence for all the citizens in the member states. The VEU-Reform is administered by the regional employment exchanges as a part of active employment policy, to re-educate the unemployed persons in accordance with their individual needs to rehabilitate them at the labour market.

The package provides a wide range of opportunities for the re-education of adults who are already at work, but wish to increase their professional competence through further education against full

security of economic compensation by the state during the educational period. Some important features of this package are as below:

- Any employed person is entitled to upgrade his or her formal education – from a secondary level to higher education.
- The education under this adult education system takes into account the skills and merits already achieved through work experience in arranging the curricula and providing of certificates of practical and theoretical competence.
- The educational courses and training programmes are arranged in a manner that the employed persons are able to combine these with their work in a flexible manner.
- For the upgrading of formal school education, all expenses and the living costs are paid by the state. To pool the financial resources for the vocational and professional training and education at the medium level, the employers' associations and the trade unions are represented in the board of newly erected "Employment Market's Educational Finance" (EMEF), and thus have a say in, what type of education and vocational training are deemed necessary to finance.

The board of EMEF decides also the level of co-financing by the employers for certain types of specialised education and training.

For the adult education at a higher level leading to degrees by a university and other institutions of higher education, the participants are supposed to pay part of the educational cost, however, the state is responsible for the greater chunk of it.

Since this new system of adult (re) education for the employed members of labour is quite new, it is difficult to say anything about its popularity or success. Though, it should be added here that the *unemployed* members of the labour force still retain the right of re-education for certain types of educational courses through their individual *activity plans* with an approval from their employment exchange.

At last it should be mentioned that there are income sources beside the wage income and beside the social benefits: in the *black economy*. According to a survey from 1994 15,4% of the population between 20-69 were engaged in black activities, in average with 4 hours pr. week (Mogensen et.al. 1995).

5. Forms of Care Leave

5.1 The Maternity & Parental Leaves

In accordance with the family laws administered by the Ministry of Social Affairs, all the employed, self-employed, and the unemployed members of the unemployment insurance schemes (A-Kasse) as well as non-members living on social security allowances are eligible for a minimum standard of provisions by the social authorities with regard to pregnancy, maternity and parental leaves.

The length and forms of leaves with regard to birth are as follows;

Each mother has a right to take four weeks of pregnancy leave prior to expected date of delivery.

For the employees in the public sector, in accordance with agreements with the trade unions of the state employees, this period of leave is extended to 6 weeks.

A mother has a right to take 14 weeks of maternity leave soon after the delivery. The leave for the first two weeks is compulsory for all the mothers of new-born babies.

A father has right to take 2 weeks of leave soon after the birth, or from the day the child and mother enter home after the birth in a clinic or a hospital.

Both the parents have a right to take parental leave from the week 15th after the birth and up till week 24. This leave can be shared between the parents, i.e. both cannot go on leave in the same period.

A father can extend his parental leave up to the week 25th or/and 26th after the date of birth – a right which accrues to the father only.

The rules of provision for maternity and parental leaves vary according to the membership of a professional association or trade union and its agreements with the employer's associations. For instance, some employers compensate for the full salary of the applicants of such leaves, others do not and yet others have differential treatment for their employees in accordance with terms of employment contracts and agreements with the respective trade unions. The social authorities, however, provide a security for a Daily Allowance (DKr 2.937, or 396,35 Euro, per week) equivalent to a maximum rate of unemployment benefits for all the applicants. The social authorities in each individual case determine the level of provision for the non-insured parents living on social security allowances.

Finally, it should be noted that the newly elected government (November 2001), a coalition of the Liberals and Conservatives, has announced to extend the period of maternity and parental leave to a whole one year from the January 2002.

5.2 Provisions for attending a dying member of the family

Persons attending a dying member of the near family at home are secured against the loss of income due to absence from work. A standard rate for this compensation is set at 1,5 x Daily Allowance. The Daily Allowance is that amount of money, which a person is entitled to receive during his or her own absence from work due to illness or pregnancy. The maximum limit for the daily allowance, which equals the maximum rate of unemployment allowance, is set at DKr 2.937 (or 296,35 Euro) per week (1. July 2001). The municipal authorities may however raise the amount in special circumstances on request.

5.3 Provisions for attending a sick child

Parents who are forced to give up their job or find themselves in a situation in which they can work only part-time due to a seriously sick child (of up to 14 years of age) at home or hospital are entitled to draw the Daily Allowance (DKr 2.937 (or 296,35 Euro) per week) for a maximum period of 52 weeks. For to be entitled for this compensation, the medical officer must provide a statement indicating that the child needs to be admitted at a hospital, or should rest at home, for a minimum period of 25 days. The lone parents, however, are exempted from the rule of minimum 25 days.

In addition to this arrangement under the social security act, most of the employers in accordance with agreements with the trade unions compensate for leave from work for the first day of sickness of their employees' children of up to 18 years of age. Under the labour market's agreements, some employees, i.e. the civil servants, receive full compensation equivalent to the normal salary, whilst others receive an amount equivalent to the Daily Allowance.

5.4 Forms of Leave from the Labour Market under the Labour Law

The Solidity Act of the parliament (no. 4 of 4th January 1999) in its § 1 of the chapter 1 defines the general aim of the legislative act and its area of jurisdiction with regards to forms of leave under the labour law as below:

The aim of the law is to consider those demands that arise from the policies with regard to the labour market, education, and social and family policy by providing an economic security

so that persons connected to the labour market can take leave in accordance with certain leave arrangements, leave for education, Sabbath-leave, and leave for childcare.

It should be noted, however, that law of leave in the labour market, which has gone through many changes in the past few years was finally abolished altogether from January the 1st 2001. From this date and onwards, only the *law of childcare leave* remains intact in the jurisdiction of the labour ministry. The *law on Sabbath leave* was already annulled as per April the 1st 1999. And the *law on (re) education* was annulled as per January the 1st 2001 and was replaced by *VEU-reform* (see above). However, persons who had been granted a leave for education prior to January the 1st 2000 are entitled to continue their leaves in accordance with the pre-amendment legislation as given below.

All of these forms of leave and compensation or security arrangements concerning flexibility at the labour market will be reviewed in brief in the following.

5.5 Leave for (re) education (annulled as per 1st Jan. 2001)

Eligible for the this form of leave are the persons who are:

- a) 25 years of age and above
- b) And whether employed are unemployed, they must be members of unemployment insurance schemes (A-kasse)
- c) The owners of independent businesses and firms, or the self-employed, who have driven the business for at least 3 years prior to shut down of their firms, provided they have been members of the A-kasse, are also eligible for educational leave for a duration of one year.
- d) The unemployed who have the rights to draw the unemployment benefits in accordance with the unemployment insurance schemes are eligible to take educational leave for up to 6 weeks.
- e) The employed who fulfil the requirements for drawing unemployment benefits in case of becoming unemployed are eligible to take an educational leave for one year by the consent of their employers, provided they have been at work for at least three years in the past 5 years.

The law stipulates further that the educational leave can be granted only for the type of education and refreshment courses that ensure updating of the applicant's vocational, general and personal qualifications such that it enables the person to keep his or her attachment to the labour market. Thus, educational or training activities pertaining to leisure and hobbies do not come into consideration.

The unemployed granted with educational leave are, principally, bound to take a normal job offered by the employment exchange or the A-kasse during the period of leave, and thus are liable to abrupt the leave, unless decided otherwise by the concerned authorities.

The level of provisions during the educational leave is equivalent to an amount of the maximum rate of unemployment daily allowance for the full-time insured members of an A-kasse, and likewise half of the rate for the part-time insured members of the unemployment insurance schemes.

5.6 The Sabbath Leave (annulled per 1st of April 1999)

Eligible for this form of leave are the persons who have been employed for at least 3 years during a period of last 5 years, provided they are above 25 years of age and members of the A-Kasse and eligible for drawing the unemployment benefits in case of unemployment at the time of commencing of the leave.

The minimum period for the leave is 13 weeks with a maximum of one year.

The granting of the leave is possible only with the prior consent of the employer of the applicant.

The granting of the Sabbath leave presupposes further that the concerned employer pledges to hire an unemployed person during the period of leave. If the employer fails to hire an unemployed for the vacant position, he or she is liable to pay the provisions for the Sabbath leave for all that period of leave for which the vacancy is remained unoccupied.

The level of provisions during the Sabbath leave, for a full-time insured member of an A-kasse, amounts to 70 percent of the rate of maximum limit of unemployment benefits, also called the Daily Allowance (DKr 2.937,00 or 396,35 Euro per week as per 1. July 2001).

5.7 Childcare Leave (remains intact with some readjustments)

There are two types of leave for attending children. The one is connected to birth of a new child, commonly known as maternity leave or Parental Leave, and it will not be dealt herewith but in separate section below. The Childcare Leave, on the other hand, can be granted also for attending children that are not new-born and until they reach the age of 8 years.

The minimum period for taking this kind of leave, as per readjustments effective from January the 1st 2001, was reduced from 13 to 8 weeks. The aim was to make it more attractive for the male parents to utilise this possibility.

The granting of the children leave is stipulated with the condition that the whole period of the leave is brought together with the child /children for whom the leave is applied for.

This form of leave can be granted to each parent for maximum period of one year pr. child. All parents are in principle eligible for this leave regardless of whether they are employed, self-employed, or unemployed and fulfil the criteria for drawing unemployment benefits from an A-Kasse. Entitled for the parental leaves against a minimum standard of compensation are also the unemployed parents above the age of 25, who live on social security allowances. In special cases, the municipal authorities can grant dispensation from the rule of age limits.

The applicants for the childcare leave who are employed in a firm at the moment of application are required to have written agreement with their employers that they are allowed to return to their job after the leave. The employed wage earners have a right to take leave for attending the children for a minimum period of 8 to a maximum period of 26 weeks for each child. Altogether this period of leave shall by no circumstance exceed the maximum limit of 52 weeks at a time.

Also eligible for the childcare leave are independent business owners, who are members of any unemployment insurance scheme recognised by the state. The business owners, who are not members of such an A-kasse are supposed to contact the social authorities in their municipality to obtain a letter of approval to be provided to the employment exchange. However all independent business owners, who work in a business or firm that is owned by their spouse are obliged to provide with a guarantee that someone else will fill their vacancy while they are on the leave.

The childcare leave can be spent abroad without any implications for the level of provision during the period.

The level of provisions during this form of leave is set at 60% of the maximum of unemployment benefits. This rule applies to all those persons who are member of an A-Kasse and fulfil the criteria for drawing unemployment benefits. As per 1st of June 2001, this amounted to DKr 1.765,00 or 238,20 Euro per week.

Certain municipalities offer additional economic help, which shall not exceed DKr. 35.000 per annum, to parents who do not utilise municipal facilities of day-care centres and nurseries during the period of childcare leave.

The lone parents, who are on childcare leave, are entitled to request for further economic help from the municipality if the child is between 2 months and 5 years of age in a situation in which the municipality is unable to provide a place for the child in a nursery or kindergarten.

The non-insured for the unemployment allowance, who lives on social security benefits can draw the maximum social security benefits for which they are individually entitled to. However it should not exceed 60% of the maximum limit of unemployment allowance, that is, DKr 7.648,00 or 1.032 Euro per month.

Complaint Procedures

The persons living on social security benefits, or others e.g., independent business owners or self-employed, who are not insured with an A-kasse against unemployment can file complaints against the municipality's decision concerning the application of childcare leave or about the level of provision determined by the municipality with the Commission for Employment Market. The decision by the commission remains final and cannot be challenged any further.

All others applicants of childcare leave, who are members of an A-Kasse, are entitled to file complaints against the A-Kasse's decision with the Directorate for Employment. The decision by the directorate can be challenged further at Commission for Employment Market.

As a general rule, all the parties who are responsible for the execution and administration of the law of leaves i.e., municipal authorities, A-Kasse, the employment exchanges as well as the leave-takers are liable to sanctions of various kinds in case of any possible breach of the law.

The following table gives a general overview of the quantitative utilisation of the various forms of leave under the labour law since 1998.

Table 10. Statistical Overview of Forms of Leave, 1998 – 2000, Persons Per Annum.

	1998	1999	2000
Educational Leaves	21.000	12.500	6.800
hereof the unemployed	13.600	5.200	100
the employed	7.400	7.300	6.700
Children Leaves	18.700	19.600	19.600
hereof the unemployed	7.700	7.600	7.000
the employed	11.000	12.000	12.600
Sabbath Leaves	400	100	0
Total	40.100	32.200	26.400

Source: Ministry of Labour

As it was noted in the foregoing, the only form of leave under the labour law existing today is the leave for childcare. The Sabbath leave scheme, which was abolished in 1999, has always been subjected to mutual agreements under the wage negotiation between the association of employers and the trade unions as a part of fringe benefits for the employees. In the first years the utilisation of this form of leave was quite popular, especially, among the civil servants and other state-employees until its abolishment.

The educational leave and the childcare leave were highly popular in the beginning and had the highest frequency in 1996 when the unemployment rate was much higher than today.

According to statistics from the Ministry of Labour, the unemployment between the March 1994 and July 2001 has fallen by almost 62% (from 12% to 5,1%). On July the first 2001, there were 23.500 persons on leave for childcare and education. Compared to this figure, there were 44.900 more persons on these two types of leave by March the first 1996.

And according to a recent analysis by the national centre for research on gender equality, *Videncenter for Ligestilling*, the childcare leave's popularity has decreased substantially in the last 5 years, and the number of fathers taking this form of leave has declined too in the period. The centre explains the trend by reference to a number of factors, the most important among these being a low compensation (60% of daily allowance), which prevents the low and middle-income groups to take advantage of the scheme. Likewise, the increasing cost of housing has put an extra burden on the family 's budget. Another explanation, according to the centre, could be the increasing number of young women with a higher education and higher incomes, resulting in a greater gap between the normal income and the provision for childcare leave. (Cort et al., 2001).

5.9 Concluding about care leave

An ambitious political goal of the Social Democrat-lead coalition, who formed a new government after the general elections in 1993, was to shrink the rate of unemployment that had been on rise for several years. One of the strategies adopted in this regard was to implement a policy of leave of absence in the labour market that would encourage some of the employed part of labour to take a temporary leave from the job in favour of some alternative and meaningful activities. The positions thus being vacant could be filled with some of the unemployed. The philosophy behind the legislation was that it would increase jobs rotation in the labour market. (Olsen, 2000 ; Cort et al, 2001), and qualify the unemployed to a job. This leave policy was a part of the active labour market policy in the 1990th.

The alternative possibilities for the leave-takers against economic compensation, offered by such schemes of labour law reforms, included leave for a wide range of educational and vocational training, leave for child rearing and caring, and the Sabbath- leave which could be used for travelling abroad etc.

The active labour market policy showed its results; the rate of unemployment fell throughout the 1990s. And with the pace of shrinking figures of unemployed in the labour statistics, the law of leave was being continuously reviewed for readjusting it to the demand of the labour market. Today, it is only childcare leave that has survived the subsequent changes in the Law of Leave since its inception in 1994. The provisions for childcare leave are though less attractive today for the low-income groups. And in a country with one of the highest employment rate among the females, it is regarded as an additional instrument of family policy provisions.

The Sabbath leave and the leave for free choice of education, which had great potential for enriching the quality of life were not regarded as an asset in it self by the policy makers. It is quite characteristic that the ultimate benefits with these forms of leave, seen from a quality of life point of view, were not valued and evaluated. These forms of leave were considered only as an instrument to reduce the rate of unemployment through job rotations. It seems as if enhancing the quality of life through such forms of leave is affordable in the times of crisis only!

In stead some improvements on family related leaves (maternity & parental leaves) are coming up. However here there is a conflict between flexibility and security seen both from the point of view of the employers as well as the employees. The extended maternity/parental leave will reduce supply of labour, and because of that it is against the interests of the employers. The extended maternity leave to one year will reduce the possibilities for the mothers to arrange their lives according to their own

wishes, because it is expected that the extended maternity leave will imply, that the children won't be offered public day care before it is one year old. Than the woman has to stay at home for the first year of the child's life, independent of her wishes for her carrier.

6. Concluding Remarks on flexicurity in the Danish case

Flexibility as well as security is in Denmark, to a great extent, related to the collective systems at the labour market:

Labour relations are regulated through collective agreements, which are supposed to increase flexibility and security at the same time. Compared with other EU countries it is obvious, that the flexibility is high in Danish labour relations. The security is dependent of a strong collective representation at the work place. That does however not always exist. The low security in labour relations are to certain extent compensated by high unemployment benefits and other social benefits.

Working time is also regulated by collective agreements. In the recent years the opportunities to arrange working hours according to the specific needs of the company has been improved dramatically. However, an agreement between the employer and the representatives for the employees is still needed. The working hours have been increasing in the last 10 years, but still Danish wage earners are working a little less than the average in EU, and the Danish wage earners are working a little less in atypical working hours.

The so called A-kasse system, which is a social security system, related to the trade union movement, is the most important *income security* system because it includes most wage earners, and because it is norm setting for the rest of the social security system. This system creates a boundary between the included and the excluded in the system. In the last 10 years the social security system has gradually been related more and more to active labour market arrangements. Social security is made dependent of an active adaptation to the labour market from the individual unemployed – through re-education or job training.

Forms of care leave are changing. In the 1990s there were introduced three kinds of leave, related to the active labour market policy and flexibilisation of the economy: Educational leave, Children Leave and Sabbath leave. These three kinds of leave are now, almost, abolished. In stead the maternity and parental leaves is improved, which however don't improve flexibility neither for the firms nor for the employee's

The concept of flexicurity is built on assumptions that a plus-sum-game between flexibility and security is possible. The Danish case illustrates also a range of possibilities where there might be such a relationship between flexibility and security.

Flexibility-needs of the Firms	Security for the Employees
Flexible and adaptable labour who have the competence and the will to participate in the constant process of change	The employees have their influence on future development of working conditions and thereby means to protect themselves against deteriorated working conditions and demands on their qualifications and skills they can not comply with.
Flexibility in the work-time schedules in relation to production requirements	Flexibility in the work-time schedules in relation to requirements of the family
Very few barriers for the nominal flexibility - ample possibilities of 'hire and fire' policy	High level of compensation in case of unemployment
Locally and professionally based jobs mediation, sensitive to the needs of the firm	Jobs mediation sensitive to social consideration of the employee's
Activating- for- job measures that assure ample supply of labour	Activating-for-job measures that assure firm footing in the labour market

However there is not only a positive relation between the flexibility requirements of the firms and security for the employees. There are also signs of conflict between the two sides:

There is a tendency in the firms that the production-related flexibility has a priority over the flexibility in relation to the employees needs. The compensation during unemployment, neither in the terms of its contents, nor in terms of quality of life can safeguard against the risk for being unemployed.

Activating-for-job measures are not merely a positive offer for the people out of jobs, it is also a disciplinary coercion.

Flexicurity and the Social quality

Socio-economic security

For Denmark, we may conclude, that the socio-economic security depends on whether you belongs to one of the core groups of the labour market or you are on outsider. If you belong to a core group with a strong representation at company level, with good opportunities for vocational training, and you are secured against unemployment, your socio-economic security is high. If you on the other hand belong to a weak organisation or you are not organised at all, and you haven't achieved rights to get unemployment benefits, your social security is low.

Empowerment

The collective system of bargaining at the labour market is a fundamental foundation for empowerment, but at the same time the collaborative system can be the basis for manipulation and

adaptation to external goals and interests. The official collective will can suppress individual needs and priorities. Some times the official collective will expressed by for instance shop stewards, is manipulated, and perhaps formed by the external goals of the firm.

Inclusion

The collective systems give those who belong to the system good opportunities of self-realisation. On the other hand those who do not belong to the collective systems are excluded. That especially is a reality for those who have no or only a weak relation to the labour market.

Cohesion

The collective systems give those who are organised at the labour market and thus represented in the systems a certain degree of collective identities. On the other hand it is very difficult for those who do not belong to a collective system to establish a collective identity.

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