

Peer Review on "Flexicurity"

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Confederation of
Danish Employers
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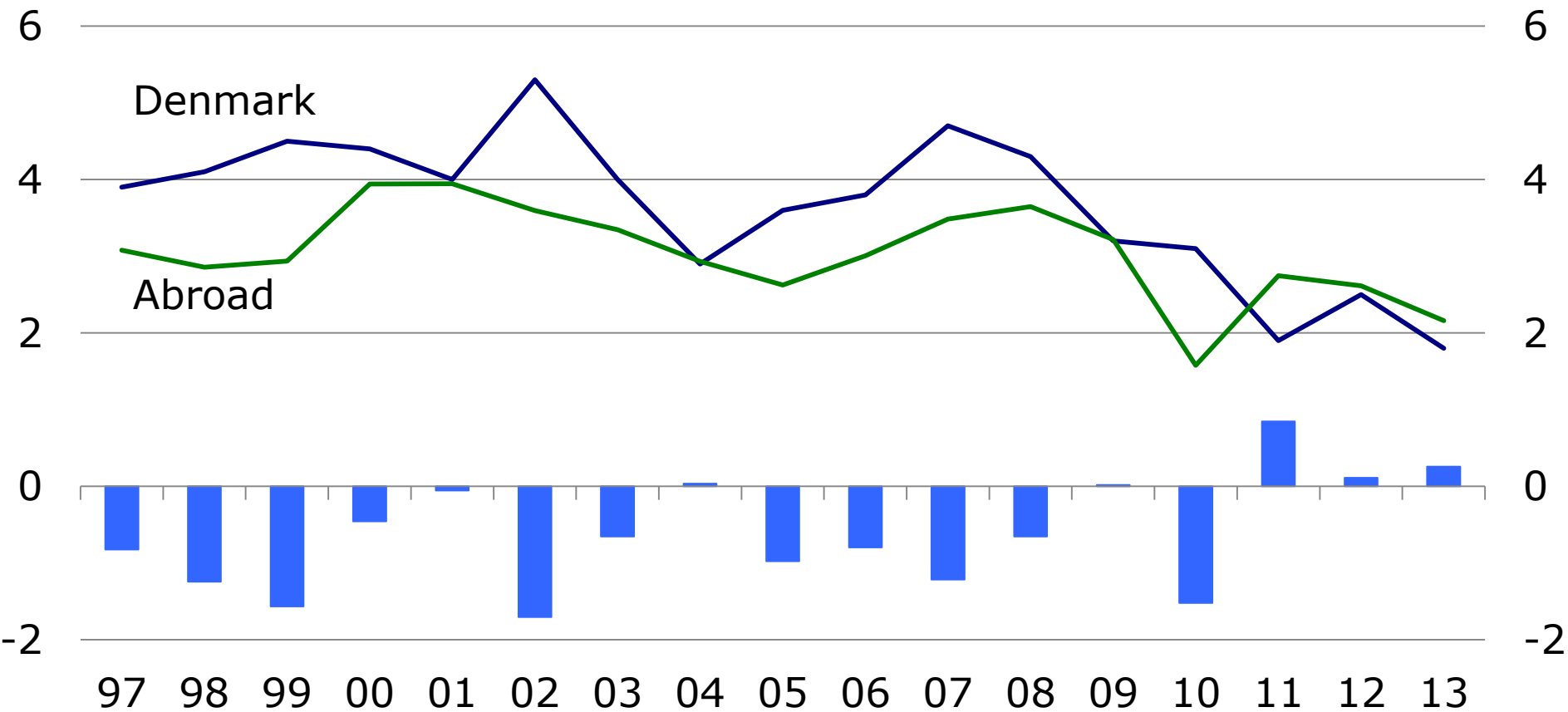
Agenda

- Wage development and Danish competitiveness
- The economic crisis impact on employment
- Job mobility

Many years with loss of competitiveness

Yearly change in total labour cost, industry, per cent

■ Positive is an improvement in competitiveness

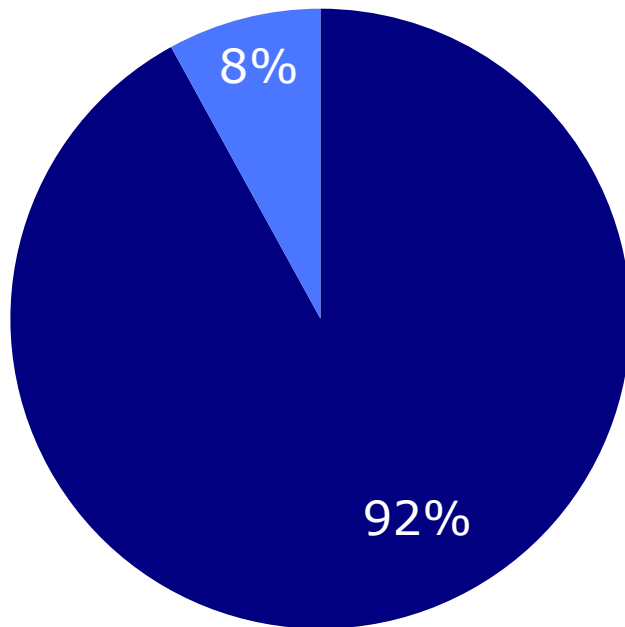


NOTE: The columns i the difference in growth rate between Danish wages and wages abroad. Abroad includes the 24 countries that Denmark has the largest trade with Dok ID: 31086
 SOURCE: DA's International Wage Statistics, Eurostat, BLS, OECD and Nationalbanken.

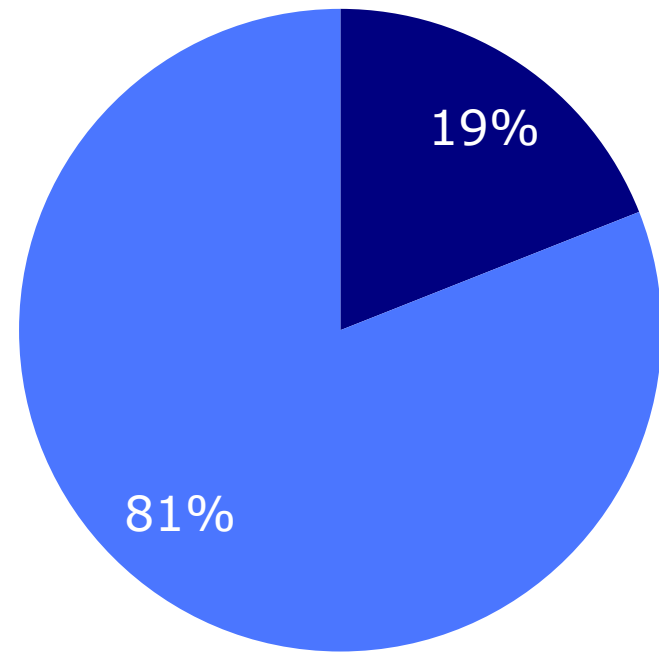
How are wages determined?

Distribution of payroll, centralised vs. decentralised wage setting, 2012 (public sector) and 2014 (private sector)

■ Centralised ■ Decentralised



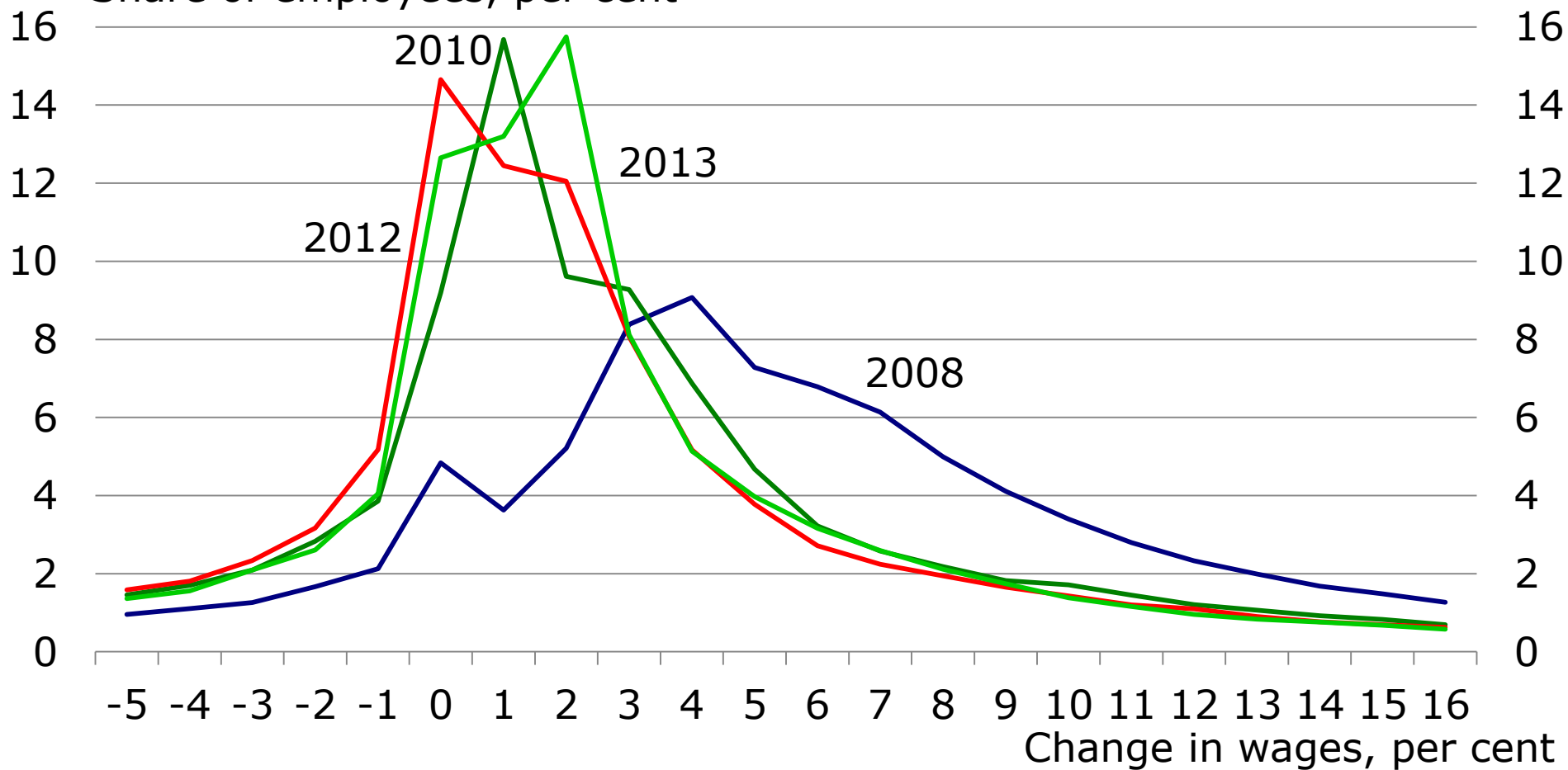
Public Sector



Private Sector

Wage developments slowed down

Share of employees, per cent



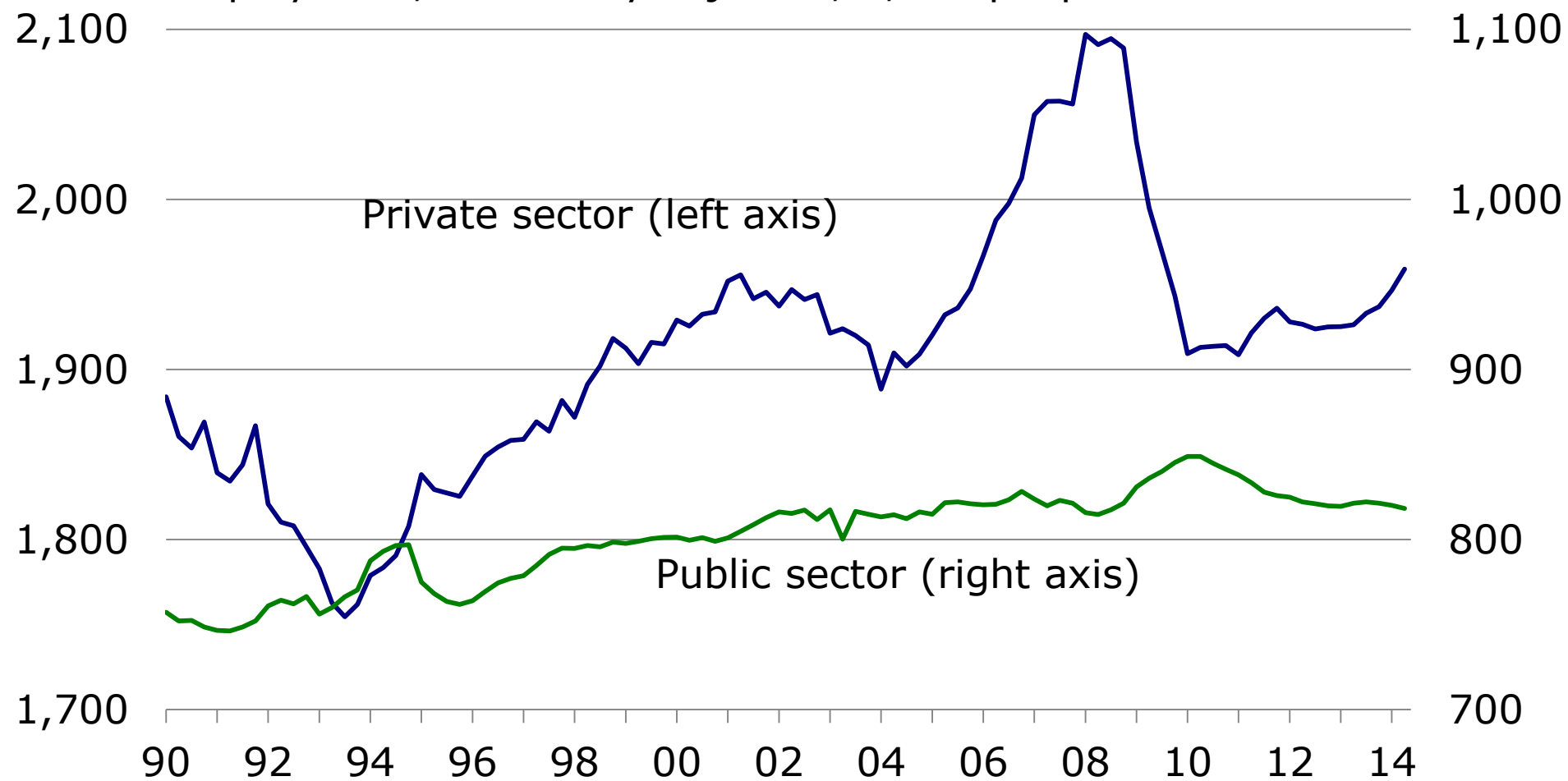
NOTE: Individual change in total earnings inclusive nuisance bonus – second quarter of the relevant year.

SOURCE: DA



Great job losses in the private sector

Employment, seasonally adjusted, 1,000 people



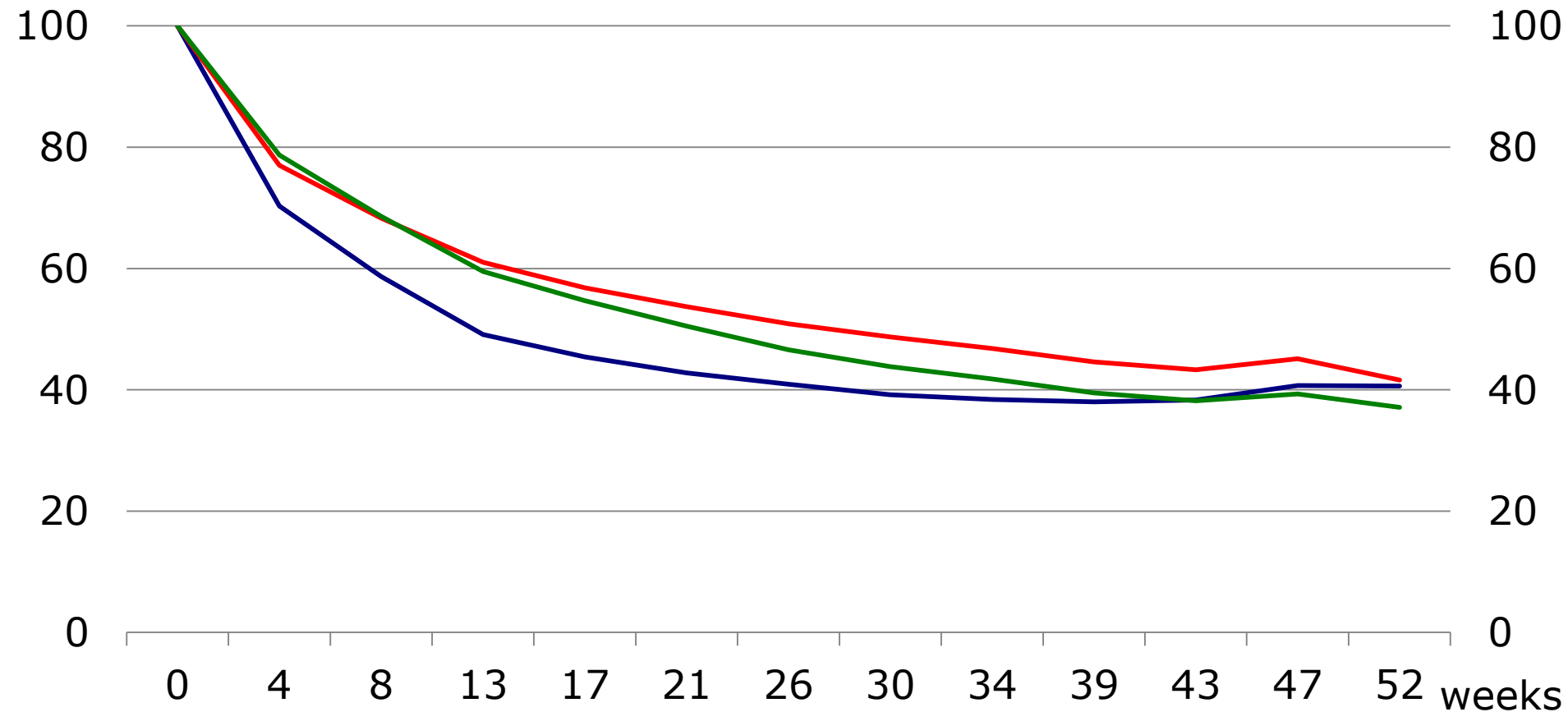
NOTE .: Public sector is defined as public administration. Private sector also includes public companies, organizations, etc.

SOURCE: Statistics Denmark, National Accounts (NKBB10).

Every second return to work after six months

Share of newly unemployed who still receive public benefit

— 2008 — 2004 — 2012

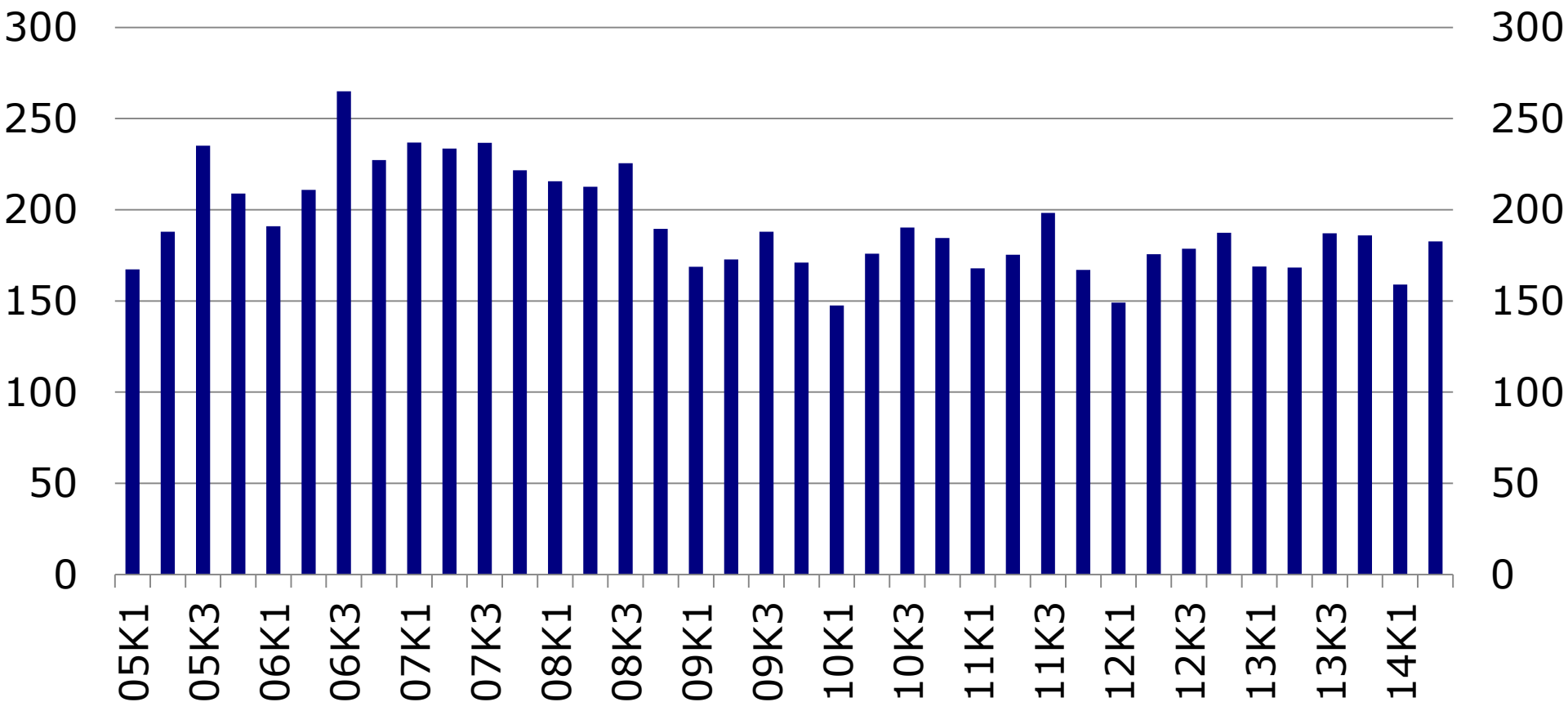


Note: Includes relapse to all public benefits except State Educational Grant.

Source: Jobindsats.dk.

Also job openings in a time of crisis

Employees who have been in their current job for less than 3 months, 1,000 people



NOTE .: Inflow is limited to persons who have been in their current job for less than 3 months. The new recruits can come from another job from unemployment or have been outside the labor market, for example as a student.

SOURCE: Own calculations based on extracts from Eurostat.



Job mobility in Denmark

New employees, June 2011 – May 2012, 18 years and above	Job openings	Entering from another job	Entering from unemploy- ment etc.	Job openings as a per cent of all jobs
	1.000 persons	Per cent		
Public sector	240	68	32	28
Private sector	560	62	38	38
Total	810	64	36	34

Summing up

- Slow adjustment of wages and competitiveness
- Job losses from 2008 are not restored
- A dynamic and flexible labor market is intact