

# Low job protection, high flexibility, income protection

Denmark

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# Low job protection

- The Danish Labour market model
  - Limited legislation about labour market issues
  - Partners make rules, which are followed by non organized, government sets rules for income support systems
  - High degree of unionization: 70%+
  - High element of trust – at the work place and in the public space
- Most employment is temporary in principle
  - Contracts on the manual labour market: 2 weeks-6 month (tenure)
  - Minimum standard in law for salaried employees 0-6months (tenure)
- Legislation on mass lay-offs

# UI-system

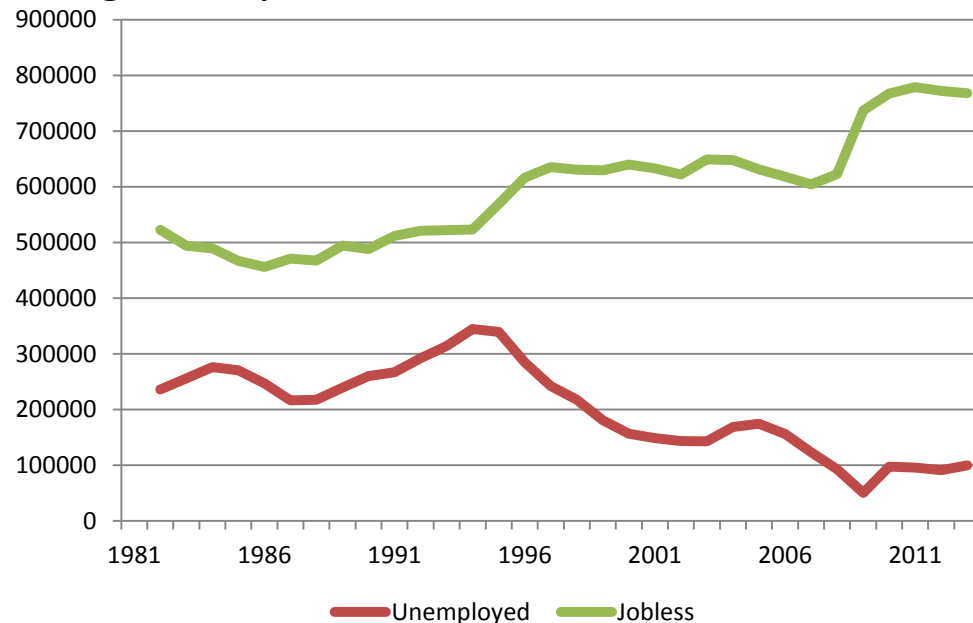
- Organized in UI-funds, membership fees and state subsidy, Ghent model (B,S,IsI,Dk,F)
  - Cause for high membership
- UI from day 4 (employer pays first 3 days), 90% of previous wage, but capped at 554€ per week. Min pay (not law) is 495€ per week
- Replacement ratio high for low wage earners but low for others
- Duration of UI up to 2 years
  - Used to be 9 years up to 1995, gradually lowered to 2 years
- If not member: welfare pay but means-tested

# Active labour market policy

- Reform of 2015: quick transfer to job if unemployed
  - consultations (first within 2 weeks, concentrated on first 6 months)
  - job offers – now emphasis on private sector
  - after 6 months with a subsidy of 10€ per hour for 6 months, lower subsidy and only 4 months in public sector
- Less emphasis on training – limited to positive list
- Only unsubsidised job gives right to a new 2 year period

# Outcomes 1

Among 18-64 years old



Jobless (non students),  
Disability pension, welfare,  
Early retirement, out of LF

Unemployment has gone down

Youth unemployment is very low due to apprentice system and lower Replacement ratio for all <30 years of age

# Job mobility/flexibility

