

# Centre for Labour Market Research (CARMA) Aalborg University, Denmark

# How low can you go? Measuring labour market tightness in Denmark

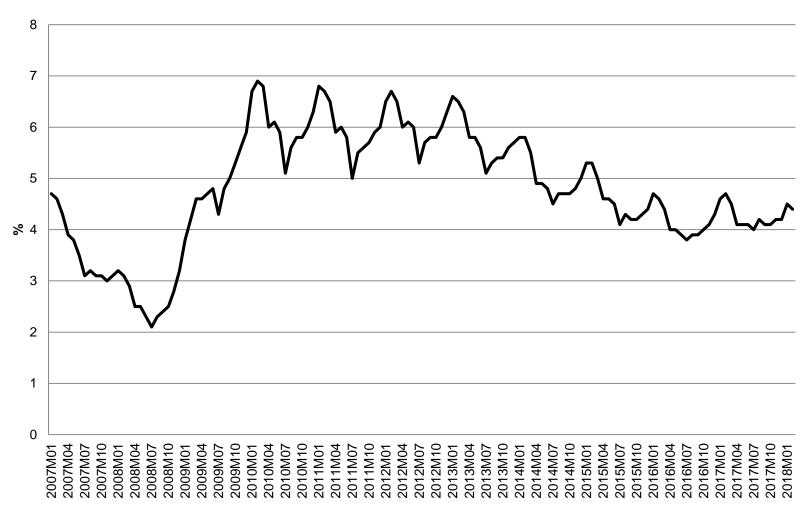
Per Kongshøj Madsen

Peer Review on "Measuring labour market tightness to improve employment policies and reduce skills mismatches"

France, 15-16 October 2018



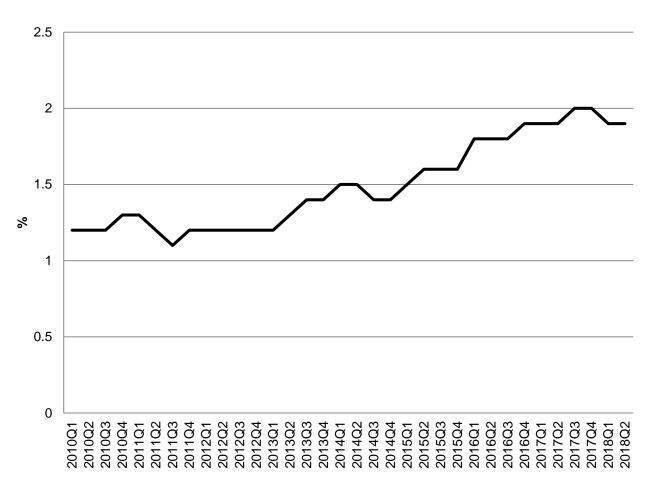
## How low can you go?



Unemployed in % of labour force 2007-2018



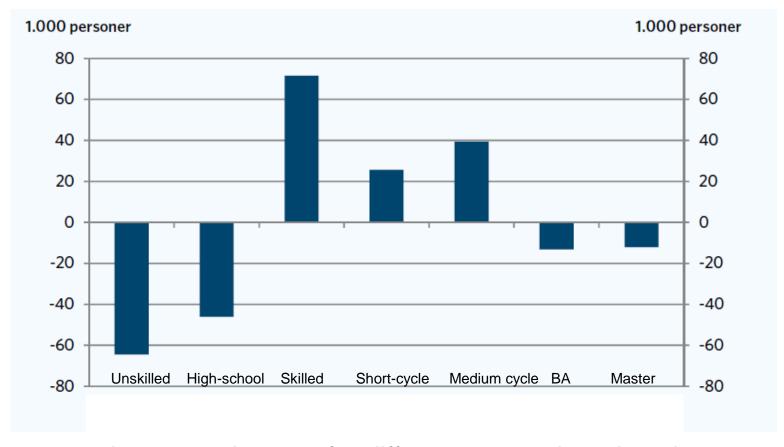
## Vacancies



Vacancies in % of all jobs 2010-2018 (private sector)



## Future imbalances by education



Imbalances in 2025 for different groups by education + = Shortages

Source: Economic Council of the Labour Movement, 2016



## Assessing labour market tightness

### Several institutions:

- Danish Agency for Labour Market and Recruitment
- Ministry of Education
- Ministry of Finance
- Think tanks, trade unions and employer's organisations

# Different purposes, methods and practical applications

- Macro-economic imbalances (The employment gap)
- Short term imbalances by occupations (The labour market balance)
- Recruitment surveys (The labour market balance)
- Future skills mismatches (medium and long term)
- No uniform definition of labour market tightness



## The labour market balance

- Responsible institution: The Danish Agency for Labour Market and Recruitment
- The objectives:
  - support the day-to-day work of the local jobcentres and other actors involved in implementing active labour market policy (e.g. unemployment insurance funds)
  - input for the administration of specific schemes (like granting work permits and programmes for training and education)
- The agency produces the labour market balances for the eight regions by combining data from administrative registers about unemployment, employment and employee turnover with a survey amongst employers.
- Published twice a year



## A bottom-up procedure

- The labour market balance is created using a stepwise procedure:
  - In <u>step 1</u> the information from the employer survey is used to divide the occupations into two groups: with and without recruitment problems
  - In <u>step 2</u> the group with recruitment problems is subdivided according to the level of unemployment giving a division into occupations with mismatch problems and with shortage or severe shortage of labour
  - In <u>step 3</u> the group without recruitment problems is subdivided according to employee turnover and level of unemployment.
     This gives en division into occupations with good job opportunities and less good job opportunities
  - In <u>step 4</u> related occupations are consolidated in a transversal analysis that takes into account the option for substitution

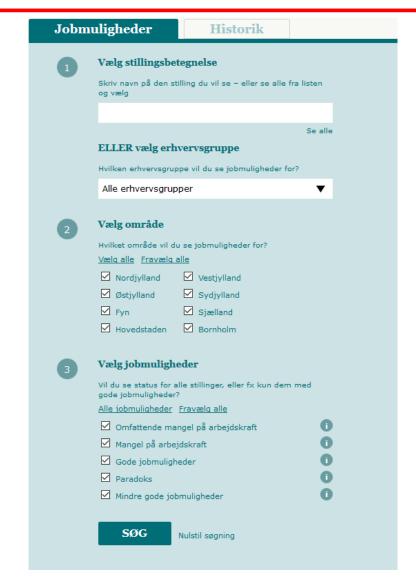


# Output: A regional categorisation of about 900 occupational groups into five groups

| Category                              | Definition   |
|---------------------------------------|--|
| Shortage or severe shortage of labour | Occupations with recruitment problems and low or very low unemployment                           |
| Mismatch (paradox) problems           | Occupations with recruitment problems and high unemployment                                      |
| Good job opportunities                | Occupations with no recruitment problems, relatively low unemployment and high employee-turnover |
| Less good job opportunities           | Occupations without recruitment problems, high unemployment and low employee-turnover            |

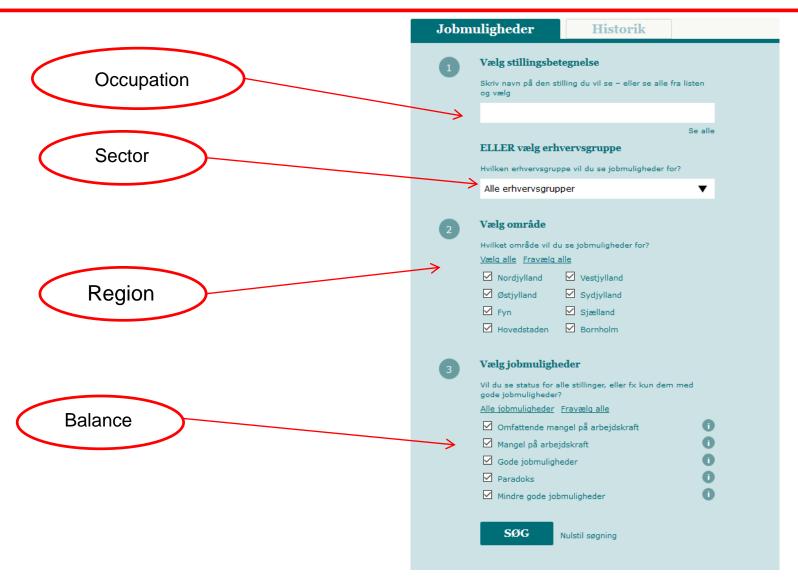


## Serve yourself





## Serve yourself





#### Jobmuligheder

Historik

#### Vælg stillingsbetegnelse

Skriv navn på den stilling du vil se – eller se alle fra listen og vælg

musiker, rytmisk

Se alle

#### ELLER vælg erhvervsgruppe

Hvilken erhvervsgruppe vil du se jobmuligheder for?

Alle erhvervsgrupper

▼

#### Vælg område

Hvilket område vil du se jobmuligheder for?

Vælg alle Fravælg alle

- ✓ Nordjylland
- ✓ Vestjylland
- ✓ Østivlland
- ✓ Sydiylland
- ✓ Fyn
- ✓ Sjælland ☑ Hovedstaden ☑ Bornholm

#### Vælg jobmuligheder

Vil du se status for alle stillinger, eller fx kun dem med gode jobmuligheder?

Alle jobmuligheder Fravælg alle

- ☑ Omfattende mangel på arbejdskraft
- ✓ Mangel på arbejdskraft
- ☑ Gode jobmuligheder
- ✓ Paradoks
- ✓ Mindre gode jobmuligheder

SØG

Nulstil søgning

#### Sådan bruger du arbejdsmarkedsbalancen

Du kan bruge arbejdsmarkedsbalancen til at checke, hvor der er gode jobmuligheder. Arbejdsmarkedsbalancen kan give dig et billede af, hvordan jobmulighederne er inden for 900 forskellige stillinger i alle regioner.

Ved hjælp af søgefunktion i venstre side kan du se iobmuliahederne for enkelte stillinger, eller for en erhvervsgruppe - for eksempel industriel produktion. Du kan også indsnævre dine søgeresultater til kun at vise de valgte jobmuligheder i udvalgte regioner eller kun at vise stillinger med f.eks. gode jobmuligheder.

Her kan du tilgå en liste over balancestatus for alle ufaglærte stillinger efter RAR-område:

Alle ufaglærte stillinger (pdf)

Via de nedenstående links kan du læse mere om, hvordan du kan bruge arbejdsmarkedsbalancen:

- > Brug Arbejdsmarkedsbalancen SOM LEDIG
- > Brug Arbeidsmarkedsbalancen SOM ANALYTIKER
- > Brug Arbeidsmarkedsbalancen SOM **JOBKONSULENT**

Nedenfor kan du klikke dig frem til en introduktion til at bruge arbejdsmarkedsbalancen



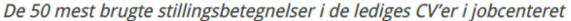
| Erhvervsgrupper ▼                              | Jobmuligheder                          | ▼ | Søg på Jobnet              | Søg på UG  |  |
|--|--|---|----------------------------|------------|--|
| Medie, kultur, turisme, idræt og underholdning |  |   |                            |            |  |
| Musiker, Rytmisk - Bornholm                    | Mindre gode jobmuligheder              |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Fyn                         | • Gode jobmuligheder                   |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Hovedstaden                 | <ul> <li>Gode jobmuligheder</li> </ul> |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Nordjylland                 | • Gode jobmuligheder                   |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Østjylland                  | <ul> <li>Gode jobmuligheder</li> </ul> |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Sjælland                    | • Gode jobmuligheder                   |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Sydjylland                  | <ul> <li>Gode jobmuligheder</li> </ul> |   | Jobnet - søg på stillingen | UG søgning |  |
| Musiker, Rytmisk - Vestjylland                 | <ul> <li>Gode jobmuligheder</li> </ul> |   | Jobnet - søg på stillingen | UG søgning |  |



## The local Job Barometer

- The aim of the local job barometer is to provide a detailed overview of the local job situation based on the persons currently available in the individual jobcentre.
- The jobs that most unemployed in the jobcentre indicate that they are looking for are selected for the job barometer.
- The jobs are divided into three groups based on information from the labour market balance
- The job barometer is used as a tool in the dialogue with the individual unemployed and as a starting point for a discussion of his/hers opportunities and goals.

### Slagelse





#### Rigtig Gode Jobmuligheder Gode Jobmuligheder "Stillinger virksomhederne mangler arbejdskraft til" "Balance mellem udbud og efterspørgsel lager- og logistikmedarb... butiksmedhjælper

pædagogmedhjælper butiksassistent

social- og sundhedshjæl...

kontormedhjælper

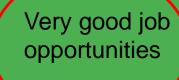
chauffer, fragt, distributi...

socialpædagog

pædagog

salgskonsulent

kantineleder





chauffør, budtransport, køretøj under 3½ ton kundeservicemedarbejder opvasker tjener omsorgsmedhjælper handicaphjælper specialarbejder, jord og beton

chauffør, persontransport cafemedarbejder projektmedarbejder

specialarbejder, byggeri

kommunikationsmedarbejder

procesoperator

klejnsmed

lærervikar

bageriarbejder

parkeringsvagt

redaktionssekretær

#### Mindre Gode Jobmuligheder

"Flere ledige end virksomhederne efterspørger" fabriksarbejder pedelmedhjælper

receptionist, kontor

specialarbejder, grønne områder

gartneriarbejder

klargører

multimediedesigner

sikkerhedsmedarbejder, vagt, sikkerhed og overv...

webudvikler

mediegrafiker

salgschef

procesteknolog

skrædder

Less good job opportunities

Jobbarometer: September 2018

# Comparison with the French approach

- The Danish approach is based on a stepwise bottomup procedure
- In some cases, an element of expert judgement is introduced
- The decision-rules themselves are of an ad hoccharacter in the sense that they are not based on more advanced statistical analysis
- The Danish approach is aimed at the day-to-day implementation of ALPM
- This is in contrast to the French approach, which is topdown, more aggregate and based on a statistically more advanced methodology.