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AALBORG UNIVERSITY
DENMARK

Why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark?

Master's thesis

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Abstract

The unstable and dangerous situation in some parts of the world has forced millions to flee, and in the EU this refugee crisis is creating growing problems for the member states. As in most EU countries, Denmark has had a surge in refugees applying for asylum since 2014. A key element in managing the refugee crisis is to ensure that the refugees become financially independent and not reliant on public benefits. Until now the strategy for integrating refugees into the Danish labour market has been unsuccessful, and thus it is necessary to change the strategy in order to succeed in integrating this surge of refugees into the Danish labour market. To understand the Danish labour market it is important to examine the unique structure of the Danish Model. Therefore it is the aim of this thesis to examine *“why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark”*.

This thesis will include both a general presentation of the Danish labour market and the Danish Model. This will facilitate a more in-depth analysis, because it allows for an examination of the historical development of the Danish Model as well as an analysis of the motivation and preferences behind the key actors. The key actors are the state, the trade unions (LO) and the employer’s organizations (DA), who in the 2016 tripartite agreement specifically addressed the refugee crisis. This 2016 tripartite agreement shall be seen in the light of the development of the Danish Model and its ability to adapt and change, according to the changes it faces. This adaptability of the Danish Model reflects the state, LO and DA’s interest in this model, because it has proven for over a century that it is able to create effective results and positive outcomes for the actors and the Danish society in general.

This Thesis will apply historical institutionalism and rational choice institutionalism in order to generate a comprehensible analysis of the importance of the historical context and the preferences and strategic considerations of the involved actors. These theories cause this thesis to conclude that the Danish Model is being used as an instrument to integrate refugees into the Danish labour market, because it has a measurable positive effect on the employment rate and because the development of the Danish Model continues to be in the interests of the key actors, who all benefit from dealing with the refugee crisis through collaboration and compromises in the tripartite agreement.

Introduction

The world is a dangerous place, and across the globe millions of people are fleeing in an attempt to create a better life for themselves and for their families. In recent years there has been a surge in refugees worldwide and in 2015 over a million refugees applied for asylum across the EU. This surge of refugees has created a refugee crisis, which has caused political and economic issues across the EU. Denmark is no exception to the challenges created by the refugee crisis. The main countries of departure for the refugees are facing long-term ongoing conflicts, and there is a need for a sustainable solution to this long-term problem. The most sustainable solution is to make the refugees financially independent through acquiring the refugees with jobs and sufficient language skills to participate on the labour market and in the civil society.

In Denmark, the state has been struggling with integrating refugees into the labour market. The combination of the low employment rate of refugees and a surge in newly arrived refugees in Denmark has created some major challenges. Denmark is a welfare state with a high degree of public spending, social security and public benefits, which is financed through taxation which requires a high employment rate. A central instrument in securing a high employment rate is the Danish Model, which contains an agreement-based collaboration between the labour market actors who represent the state, the trade unions (LO) and the employer's organizations (DA). Until the collective agreement between the state, DA and LO in 2016, the Danish Model has not been used as a key instrument in facilitating the labour market integration of refugees. But in 2016, the then Employment Minister, Jørn Neergaard Larsen, presented an ambitious plan for increasing the employment rate of the refugees from 28% to 50% after three years in Denmark. To facilitate this ambitious goal the government announced, that the Danish Model should be a key element in achieving this objective. Therefore the problem formulation behind this thesis will be *“why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark”*.

To enable a thorough analysis of this problem formulation, the thesis will examine the historic development of the Danish Model as well as applying historical institutionalism and rational choice institutionalism to the actions of the state, DA and LO in order to analyse their motives and intentions behind the 2016 collective agreement, and how they came together to deal with the refugee crisis through compromises and collaboration.

The scope of the thesis:

In this section, there will be a presentation of the scope of the thesis and reasoning behind this scope.

Despite the refugee crisis being a challenge across the EU, this thesis will focus on the impact of the refugee crisis in Denmark and the low employment rate among refugees in Denmark. The refugee crisis is a vast topic and it could be the foundation of a long range of studies, which would be necessary in order to examine the overall impact on the Danish society that the refugee crisis has had. A key concept in the refugee crisis is integration. Integration is a complex term and is influenced by a wide range of factors, where employment is one of these factors. In this thesis, the focus has been on the low employment rate for refugees and how the Danish Model is being used to try to cope with the low employment rate. Other important aspects related to integration of newly arrived refugees are housing issues, social issues, discrimination, gender issues, cultural differences as well as children's wellbeing and their access to schools and leisure activities. Thus there are several topics that require extensive examination in order to analyse the full scope of the issues related to the refugee crisis.

In this thesis the primary focus has been on the tripartite collaboration between the state, DA and LO. Albeit trade unions not only consists of LO, but also FTF and AC, the focus is on LO in this thesis because the development of the Danish Model is based on DA and LO. This is the focus because DA and LO are the central labour market actors in Denmark, and it is in the tripartite agreements the interests of the state can be combined with the interests of the labour market actors. Following these tripartite agreements, the labour market parties commit to implement the needed elements in the collective agreement, and the government commits to not passing legislation on these policy areas. Thus the focus is on the tripartite agreement and the general direction set out by the state, DA and LO, not on the field specific collective agreements.

Problem formulation

In this section, there will be a presentation of the problem formulation of this thesis as well as a presentation of the structure of the analytical part of this thesis.

The problem formulation has its points of origin in a general interest in Danish labour market politics and its ability to develop and adapt to a wide range of challenges and crisis. A current and central aspect

of this is how refugees are integrated into the Danish labour market and how the Danish Model is being used to facilitate this integration. It is the aim of this thesis to examine the development of the Danish model, and furthermore the motives and preferences behind the key actors' involvement in creating a common strategy targeted labour market integration of refugees.

Problem formulation:

“Why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark”.

In order to generate a comprehensive and thorough analysis of the problem formulation, the analytical part of this thesis will be divided into two main sections.

The focus of the analytical part 1 will be to examine the development of the Danish Model and how this development have shaped today's decision making process regarding labour market policy. The primary theoretical instrument of the first analytical section will be historical institutionalism, with the intention of applying its theoretical perspective to identify possible critical junctures and to examine if there can be identified a path dependency concerning the development of the Danish Model. The findings of Analytical part 1 will be used as a starting point for the analytical part 2, where the main focus will be to analyse the motives and preferences of the state, DA and LO in connection with the refugee crisis, and examine what impact the low labour rate of the refugees created. In analytical part 2, both historical institutionalism and rational choice institutionalism will be applied in order to study these motives and interests of the actors, in order to understand why they try to solve these issues through tripartite collaborations.

Methodology

In the following section, there will be a presentation of the methodological approach of this thesis.

The problem formulation in this thesis requires an in-depth analysis of the topic, and a qualitative research method enables this kind of in-depth analysis, because it focuses on the unique aspects of the case at hand (Antoft et.al. 2012:13). When answering the problem formulation *“Why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark”* it is necessary to analyse both the development of the Danish Model and the preferences of the key actors in the Danish Model. To facilitate this analysis, this thesis conducts a *clinical case study* of the Danish Model, with the

intention of generation a comprehensive presentation of the case, including the newest data on the topic (de Vause, 2001:223). The reasoning behind the clinical case study is to focus on the case of the Danish Model and to use the existing theories of historical institutionalism and rational choice institutionalism to understand this case, in order to generate a more thorough answer to the problem formulation. Thus, it is not within the scope of this thesis to try and test or disprove the theoretical basis of this thesis, but instead acknowledge the theoretical knowledge and draw upon its instruments in order to understand the case better. In order to understand the case better, the theoretical basis for this thesis was deliberately chosen for their mutually contributing nature. The problem formulation requires an analysis of both historical context and current day strategic considerations, which the just the scope of the theoretical basis of this thesis. The case of the Danish Model has been chosen as the unit of analysis, because it represents the shared playing field between the state, LO and DA and thus the Danish Model is “*greater than the sum of its parts*” (de Vause, 2001:220).

1. Data

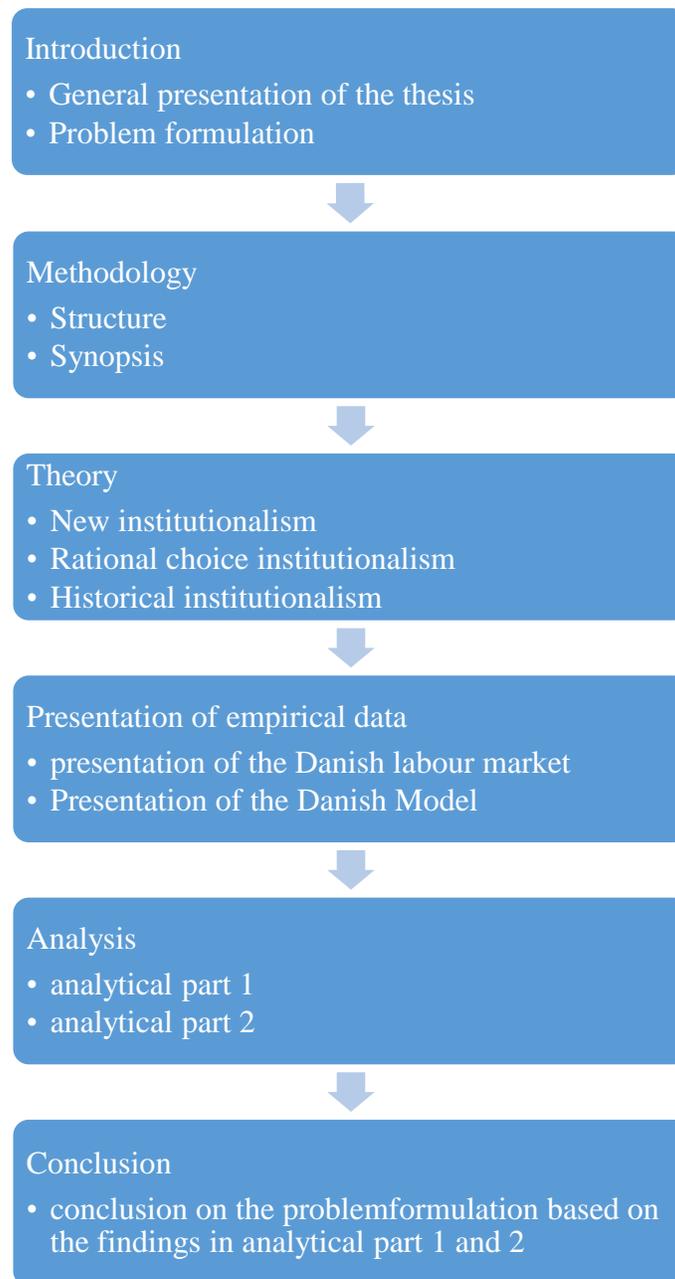
In this section there will be a brief presentation of the material used in this thesis.

The data used for this project have primarily been obtained through official channels of communication, i.e. the homepages of the relevant actors or in peer-reviewed publications. There has been an emphasis on collecting data close to the source of information, thus obtaining a statement from a key actor through official channels, to increase the reliability of the outcome of the thesis (De Vause, 2001:30). The credibility of the data that this thesis is based on entails a high degree of credibility in the outcome of the analysis of the Danish Model. The theoretical foundation in this thesis is created through a range of complimentary theoretical texts, is mainly obtained through articles by renowned writers or university level textbooks. The empirical data has been generated on a policy field that is highly politicized, but the official nature of the sources in this thesis enables the analysis to be rooted in firm empirical data.

2. Structure

In this section there will firstly be presentation of the design model of this thesis as a visualisation of the structure, afterwards there will be a short synopsis presenting the different parts of the thesis.

2.1 Design model



2.2 Synopsis

First, the thesis will start with a general presentation of the thesis and the problem formulation. This section contains a general introduction to the central challenges and issues that the Danish Model is facing as well as a short introduction to the analytical structure of the analysis.

Secondly, there will be a presentation of the methodological approach of this thesis as well as a structural presentation. The methodological approach will be a clinical case study with the focus on the case of the Danish Model.

Thirdly, the theoretical basis of this thesis will be presented. This presentation will consist of a short introduction to new institutionalism, followed by a more in-depth presentation of rational choice institutionalism and historical institutionalism.

Fourthly, there will be a comprehensive presentation of the empirical data behind the thesis. It will be divided into two sections, where the first section will focus on describing the general development of the Danish labour market and the unsuccessful attempts to integrate refugees into the Danish labour market. The last section will describe the Danish Model as a concept and how it has developed and changed through time, in order to adapt the challenges it has been facing.

Fifthly, there will be a two part analysis on the basis of the abovementioned presentation of the empirical data. The first part of the analysis will examine the development of the Danish Model, while the second part of the analysis will examine the preferences and intentions behind the motives of the key actors.

Lastly, there will be a conclusion of the problem formulation “*Why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark*” based on the outcome of analytical part 1 and 2.

Theoretical approach:

In this section there will be a presentation of the two main theoretical approaches in this thesis, as well as a presentation of an alternative theoretical approach, that could also bring with it a range of interesting results, but have been left out, due to the scope and framework of this thesis.

The two theories that form the basis of this thesis are historical institutionalism and rational choice institutionalism. At first in each of the following sections there will be a general presentation of the theories, secondly there will be a presentation of how they will be applied in this thesis, and lastly there will be a presentation of the criticism of each of the two theories.

1.1 New institutionalism

The theoretical approach of this thesis is based on two strains of new institutionalism; therefore there will be a short presentation of new institutionalism order to give a general introduction to the theoretical background of both the theories.

The study of political institutions dates back to ancient Greek and has been evolving through time, reflecting the trends and development that was influencing the respective period. In the early 20th century the “old institutionalists” had a primary focus on the formal institutions, and thus focused on the administrative, legal and political structures (Thelen & Steinmo, 1992:3).

As a reaction to the overwhelming focus on the formal structures, there were a behaviouristic rise in the study of politics and institutions in the 1950's and 1960's. The mainstream behaviourists rejected the one sided focus on the formal institutions and strived to examine the observable activities and the behaviour of individuals and groups (Bevir & Rhodes, 2010:10, Thelen & Steinmo, 1992:4). This increased focus on the actions and behaviour of the individuals and groups would enable the researchers to examine informal distribution of power that was influencing the basis for decisions made by the respective decision-makers. During this period, there was a mainstream attempt to generate “grand theories”, which would theorize on the basis similar issues faced by comparable groups in different countries.

New institutionalism arose as a reaction to the focus on informal behaviour of the behaviourists and their lack of ability to explain differences in correlating interest groups across countries. The behaviourists couldn't explain the differences between countries. The new institutionalists emphasized the need to understand the “*playing field*” (Thelen & Steinmo, 1992:5) in order to understand the unique structural

influences that each country were imposing on the individuals and groups, acting within each country. The new institutionalists moved away from the behaviourists attempts of grand theorizing, and instead they focused on theorizing on an intermediate level. Here they sought to explain the differences within groups and classes and see how the differences in institutions across borders could influence and shape the interests of otherwise similar groups (Thelen & Steinmo, 1992:6).

New institutionalism is a broad term and it covers three primary branches, which is “*rational choice institutionalist, sociological institutionalism and historical institutionalism*” (Kelstrup et.al, 2012:205). These three different parts of new institutionalism have their differences, but one of the things that they share is their common understanding of institutions as rules that structure the behaviour of the actors (Steinmo, 2008:162). In this thesis, the focus will be on the rational choice institutionalism and historical institutionalism, which will be presented below.

1.2 Rational choice institutionalism

In the following section, there will be a presentation of rational choice institutionalism (RCI) and how it will be applied to this thesis as well as a critical view of this theoretical approach.

Rational choice institutionalism is based on rational choice theory, and its theoretical origins can be traced to macroeconomic theory and shares some similarities with liberal intergovernmentalism (Kelstrup, 2012:2016). In ordinary rational theory, there is a general economic perspective to assessing the issues at hand, and this has shaped the development of RCI. In an RCI perspective, the key actors are considered to act strategically with the aim of utility maximisation.

RCI is based on methodological individualism where the individual is the basis of the analysis, but this individualist perspective can be expanded to analyse group behaviour and collective actions (Thomsen, 2008:123). When expanding the scope of the RCI perspective, it is important to use the individual as an instrument in a larger scale in order to examine the strategic elements from an individual level, through a group stage to a society level. In this thesis the actors in focus will be DA, LO and the government, which can be considered to act on behalf of individuals, who on a strategic basis has sought utility maximisations through these organisations or the public-body of the changing governments (Thomsen, 2008:124). A fundamental assumption of this thesis is that these three central actors act strategically with

the aim of utility maximisation. In RCI individuals are said to act on the basis of a “*logic of consequentiality*”, where they act on a set of fixed preferences with the strategic intention of utility maximisation (Pollack 2006:32). There is an awareness of the influential aspect of institutions in RCI, and thus RCI also states that individuals and actors act under constraints from other individuals’ actions and institutional constraints (Thomsen, 2008:124). These institutions can be both formal and informal rules, which in varying ways shape and influence the preferences of the individual and put constraints on the actions (Thomsen, 2008:126). These institutions, both formal and informal, shape the outcome of the actions of the individuals, and thus increase the predictability and stability of the interaction and cooperation between actors (Thomsen, 2008:126).

RCI operates with the concept of fixed preferences as a key element in determining the actions of the individuals. This is a very complex concept and consists of several factors, which is the “*desires, values, opinions, tastes and morals of the individual*” (Katznelson & Weingast, 2005:3). These varying elements all influence the collective outcome of the preferences of the individual. Despite the varying personal preferences the individual is still facing the constraints caused by rules and norms in the surrounding society. Despite societal or institution constraints, individuals act within these rules and norms because “*humans are strategic actors who want to maximize their personal and individual gain. We co-operate because we get more with co-operation than without it*” (Steinmo, 2008:168). This thought is based in the concept of transaction cost, which describes the cost involved in cooperation or interaction between actors. There will always be a cost related to interaction, and thus it is in the interest of the actors to create institutions that lessen the cost of transactions that otherwise is a benefit for the individual actor (Shepsle, 2005:12). There are different institutional definitions in RCI, but in this thesis the institutional view is that they are created by the actors over time and in accordance with the strategic development of their preferences. Here the actors comply with the common formal and informal rules in order to develop a shared playing field (Shepsle, 2005:2). In this thesis, the playing field is the Danish Model and it is highly informal and thus very much dependent on the actors’ voluntariness to adapt their preferences to the playing field of the Danish Model and the agreement system. This also reflects an understanding of the institutions as a balance of power and resources. It requires strong and resourceful actors to influence the political landscape in the way that the labour market parties have done it in Denmark. It is in the interest of the government to benefit from the resources and expertise of LO and

DA when developing legislation and implementing it, as well as it is in the interest of LO and DA to influence the Danish Model in such a way that their influence is maximized (Thomsen, 2008:128). This is an example of actors both being influenced by institutions as well as influencing the institutions at the same time, through a strategic aim of utility maximization within the institutional framework.

An aspect of RCI is the development of the principal-agent model. This model describes the complex structure of institutions and the distribution of competences within these structures. The principals are individuals, who delegate competences and responsibilities to an agent, which can be an organization, to act on behalf of the interests and preferences of the principals (Kassim, 2003:122). In this thesis there will not be an in-depth analysis of the fixed preferences of the individuals, but there is an assumption that the preferences of LO and DA are based on the preferences of their members. Thus there is a basic assumption in this thesis, that the preferences of LO and DA has been derived from the preferences of their members. It is also a basic assumption of this thesis that the respective governments through time are acting on a set of preferences, which has been shared by the people, who have voted for the respective parties that have formed governments. These preferences may not reflect each individuals fixed preferences, but the individuals have chosen to support these groups and thus it must be assumed that the preferences of the organisations reflects the general preferences of their members.

One of the main critiques of RCI is the definition and examination of preferences. An in-depth analysis of preferences is practically inexhaustible task and thus this limits the scope of the theory. The limitations of the definition of preferences is important to be aware of and forces the researcher working with RCI to clarify which criterias are the basis of the chosen definition of preferences, and which once have been left out.

1.3 Historical institutionalism

In this section there will be a presentation of the theoretical approach of historical institutionalism (HI) as well as a presentation of the application of this theory to this thesis, as well as some of the main criticism of this theoretical approach.

Historical institutionalism differs from RCI in its definition of institutions and how they influence the political system as well as how the actors behave within these frames. But there are some similarities

between these two brands of new institutionalism as HI see the actors as “*both norm abiding rule followers and self interest rational actors*” (Steinmo 2008:163) An important aspect of HI is however to examine the context in which the actors behave, to examine what rules are influencing the actor, as well as acknowledging that the behaviour also depends on the individual. The examination of these three factors, the individual, the context and the rules, is a central part of the HI approach, because it is through the examination of these factors, examining the historical evidence, HI strives to establish why a certain choice was made (Steinmo, 2008:164). It is a central part of the HI approach to look at the historical record, not only to gain more references, but because “*history matters*” (Steinmo, 2008:164). This premise is based on the following three concepts: firstly, political events do not happen in a vacuum, therefore it is important to examine the historical context within which the political events occur and examine how this influences the political event. Secondly, drawing upon the historical context and the development the actors are enabled to learn from previous experiences, as well as it enables the researcher to take these experiences into consideration, when examining actions. The examination of the actors’ previous experiences opens up for the HI researcher to go deeper into the examination of the historical context, and the actors that operates in these situations. Thirdly, the expectations behind the actions made by the actors are shaped by previous experiences, thus the outcome of former actions shape the expectations to other actions (Steinmo, 2008:166). These concepts show the nuances that are the foundation of the sceptical view of history which is a core part of Historical Institutionalism. The aim for HI is not to focus on a single variable, but to examine the various variables and how they interact and develop.

Paul Pierson argues that political institutions once established are driven, in part, by a logic described as “*increasing returns*” (Pollack, 2010:19) where the institutions influences the political decisions in a way that it should seek to adapt the institutions to the changing situation, instead of abolishing the institution completely. This concept of increasing returns brings with it three terms, which are “*inertia, timing and sequencing as well as path dependency*” (Pollack 2010:20).

Inertia implies that there is a lock-in within the institution, where the institution remains the same, despite political changes or societal development over time. The importance of “*timing and sequencing*” is a central concept where the historical sequencing effects the later development of institutions, based on even small decisions made at a critical time, which is referred to as a “*critical juncture*” which Fioretos

(et. Al) defines as “*as a period of significant change, which typically occurs in distinct ways in different countries (or in other units of analysis) and which is hypothesized to produce distinct legacies*” (Fioretos, et.al. 2013:9). Such a critical juncture could be the common agreement from 1987, where there was a significant change in the focus for the labour market policy, where it went from focusing on securing a high wage to a high job security. Fioeretos argues that these critical junctures act as the point of origins for “*path dependency*” which is the third term that Pierson operates with. Path-dependency describes how earlier decisions shapes and influences the subsequent decisions by creating incentives to act within the framework set put by the prior decisions, even though these decisions might not have the desirable outcome, if the decisions were to stand alone and not be within the framework of prior decisions (Pollack, 2015:19). In the logic of path dependency the institutions become self-reinforcing, as the cost of changing away from the initial decision becomes high and incites the actors to continue down the same path (Pierson, 1994:17). When examining the development of institutions over time, Pierson argues that there appears to be four “*ability gaps*” (Pierson, 1994:4). These four ability gaps occur first of all from the short term interest of political actors and their focus on getting re-elected, the second gap is created through unintended consequences of the policy process, the third ability gap occurs if the political preferences changes over time but “inherit” the old agreements, and the fourth of the ability gaps may occur on a basis of a “lock-in”, where the actors commit themselves to a long-term cooperation, which increases the costs of backing out of the cooperation (Pierson, 1994:5).

One of the central criticisms of HI is the notion of *selection bias* (Steinmo, 1992:12). This selection biased is evident in the fact that the points of analysis in this thesis haven’t been chosen randomly, but has been chosen for a reason. In the presentation of the empirical data in this thesis there is an ongoing reasoning behind the chosen data, but it is a valid critique, that there has been a certain degree of selection biased involved in examining the central point of analysis.

Presentation of the empirical data

In the following paragraph, the presentation of the empirical data behind this thesis will be divided into two main sections.

The first section will focus on a general presentation of the Danish labour market and some of the key aspects. This will include a description of the size of the this policy field and also present data showing how the surge in refugees are cause problems because of their low employment rate and their lack of qualifications, which hasn't been tackled in a sufficient way with the "Start help".

The second section will focus on the Danish Model and the key concept of tripartite agreements. In this section there will also be a presentation of the challenges of the Danish Model as well as the historical development of the Danish Model and how the scope of the mode have broadened concurrently with the development in the Danish society.

1. The Danish labour market

The Danish labour market policy has shifted from being passive to now being an active labour market policy (Mathiasen, 2015:2,121). The focus of the active labour market policy is on rights and obligations, quicker actions and initiatives as well as toughening the conditions for relief and the duration of unemployment benefits. Furthermore, there has been an expansion in the active effort towards all groups who receive relief such as unemployment benefit and social security.

The labour market reform from 1993 had a very clear focus on the active approach, and with its related change of the unemployment benefits, this marked a paradigm shift in the Danish labour market policy, from a cyclical policy to a structural policy (Koch, 2015:17). This contributed to a radical change in the unemployment levels. In this context it must be stressed that the economy was "*kick-started by a temporarily relaxation of the financial policy*" (Koch, 2015:17ff). This reform was prepared in the Zeuthen-committee with a substantial amount of collaboration with and influence on the labour market actors. This involvement of the labour market actors is crucial for such a major change in the unemployment benefits.

It is not only the content of the Danish labour market policy that has changed. In the literature related to this policy area there is a discussion concerning the terminology. There is a shift away from labelling the policy for “labour market policy” towards the term “employment policy”. As well as discussing the differences between “labour market policy” and “employment policy”, there is a discussion about the boundaries of social policy and employment policies. These discussions emerge as more of the social policy activities towards certain groups of people are being absorbed into an employment policy agenda (Bredgaard et.al. 2017:18ff; SAMAK 2016). This shift also took place as part of a general municipalisation, which I will not discuss further here. I only note that throughout the last 10 years employment policy has developed into a welfare policy area on a municipal level, were the latest reimbursement reform shows this continuous development. In this context it should be pointed out that during this transitioning phase, the structural changes of the labour market gave the labour market actors a strong regional influence in the regional employment councils (BRB) (Koch, 2015:17). Their ability to be influential is now being challenged, partly by the reimbursement reform and partly by the move from being a RBR to a RAR (the regional labour market council), were the RARs do not have an independent secretariat, not a direct contact with the minister or concrete tasks or an independent budget.

1.1 Presentation of the Danish labour market and the Danish labour market policy

The Danish labour market is a unique construction and to shed light on this topic and examine it thoroughly, I will incorporate the concepts of the Danish labour market policy as well as the Danish Model.

Regardless of how one might view the Danish labour market policy as being an organizational viewpoint or look at it from a functional viewpoint (Bredgaard, 2017:10) it will be important to examine the cost of the Danish labour market policy. As it appears from figure 1.1, the cost of the Danish labour market policy is rather substantial, even in 2007 when the economy was still growing in a rapid pace before the financial crisis hit in 2008.

Figure 1.1 Relief cost for the employment policy field

Public benefit			Public spending, in running prices (DKK)	Public spending, in fixed prices (DKK)
The entire country	Totalt amount of groups who receive public benefit	2004	108.074.679.013	141.387.850.789
		2005	103.888.964.879	133.246.983.451
		2006	97.788.983.714	122.963.927.929
		2007	95.071.536.820	116.745.016.983
		2008	93.720.323.465	111.842.339.370
		2009	105.126.801.697	121.682.255.255
		2010	115.406.506.386	128.814.673.224
		2011	115.592.881.007	126.616.978.635
		2012	118.448.488.759	126.088.363.278
		2013	116.565.829.675	121.971.320.893
		2014	113.036.512.363	116.226.089.568
		2015	109.876.629.181	111.414.901.990

Jobindsats.dk, all benefits excluding early retirement

The abovementioned data in Figure 1.1 shows the cost of relief benefits related to the Danish labour market. Furthermore there is also the cost related to labour market activation activities, which is not included in Figure 1.1. The cost of activation can be difficult to estimate, but in 2013 it was estimated to 13.5 billion Danish Kroner (Koch, 2015).

Whereas Figure 1.1 shows the cost of the relief benefits related to the Danish labour market policy, Figure 1.2 shows the number of people who are directly affected by the Danish labour market policy system. Figure 1.2 shows the amount of people categorized as “fit to work”, i.e. 16-66 year old, who are in contact with the Danish labour market policy system.

Figure 1.2 The amount of affected people and the amount of full-time persons in the employment policy system

The amount of affected and the amount of fulltime persons		2015			
		The total amount of persons	The amount of fulltime persons	affected persons in pct. Of the labour force 16-66 år	Fulltime persons in pct. of the labour force 16-66 years
The entire country	total	1.192.526	726.934	27,0	19,6
	Ethnic Danes	1.002.928	599.036	22,2	16,2
	Immigrants from western countries	41.632	21.583	0,8	0,6
	Decedents from immigrants from western countries	2.698	1.554	0,1	0,0
	Immigrants from non-western countries	129.161	96.408	3,6	2,6
	Decedents from immigrants from non-western countries	16.110	8.352	0,3	0,2

Jobindsats.dk, The amount of affected and full-time persons in 2015.

As it appears from Figure 1.2, 726.934 full-time persons, which correspond to 27% of the total Danish workforce, is in contact with the Danish labour market policy system annually and receive some sort of relief. The duration of how long people receive these relief subsidies varies from short term to long term, which is why a total of 1.192.526 people who were fit to work, annually are affected by the Danish labour market policy system. From figure 1.2 it also appears that the total workforce in Denmark is 2.7 million people.

As it is evident from both Figure 1.1 and Figure 1.2, this is a very important policy area, both when it comes to the development of society, the economy, growth, labour market, subsidies as well as a lot of other policy areas.

1.2 Eagerness to reform

The pressure from the demographic development and the development of the public finances has led to a range of reforms of the Danish labour market policy. During the last 15 years there has been a vast amount of labour market related reforms, based on the idea of increasing the supply of labour according to the mind-set of the minister of finance (FM, 2014:11). In 2013, this large amount of reforms was referred to as a “*reform spree*” by the former prime minister Helle Thorning Schmidt (Berlingske, 2013)

The combined effect of these reforms focussing on increasing the supply of labour, is according to AE that the supply of labour is increased by 114.500 fulltime employees in 2020, increasing to 343.300 in 2040 (AE, 2013). When examining the effect of the “Starthelp”, this reduction in social benefits for refugees only increases the supply of labour by 400 fulltime employees in 2020 (CEPOS, 2015:1)

1.3 The motivation behind the Danish labour market policy

Throughout the EU it is difficult to compare the labour market policy in the different member states because the scope of labour market policy varies between member states, as well as the structures surrounding the labour market policies in the different countries. In a Danish context, the scope of labour market policy has a historical foundation, and the general development in Denmark is reflected in the development of the Danish labour market, which has contributed to the development of the unique Danish Model. The development of the Danish Model has not only been shaped by the general development of Denmark, it has also been shaped by the development of the rule of law and the public spending.

The high number of affected citizens in 2015 shown in Figure 1.2 is not uncommon. As Anne Vejen Mathiasen highlights, there has always been around 7-800.000 full time persons fit to work on public subsidies, no matter if Denmark has found itself in a recession or in a booming period (Mathiasen, 2015:2,121). If these numbers are held up to the demographic challenges that Denmark is facing with an ageing workforce, we see that in 2015 the amount of people older the 65 will increase with around 500.000 persons, while the group of people deemed fit to work, will only increase with around 40.000 persons.

These numbers are challenging both for the future growth, the size of the work force, the companies' ability to recruit labour, the general competitiveness, the public finances including the latitude of the state and the municipalities as well as the affection of the lives of the citizens and the society in general.

For a long time, the tool for dealing with these challenges has been reforms with a focus on the supply of labour. The idea behind this approach shows that over time there is a significant correlation between the supply of labour and the employment rate (FM, 2014:11)

This correlation behind the supply of labour and the employment rate is also an aspect on why it is important to integrate refugees into the Danish labour market. When examining this process, it is important to examine whether or not the integration of these refugees into the labour market has a push-out effect on the existing employees. According to Dansk Erhverv the refugees aren't "*stealing*" the jobs. On the contrary, they help creating new jobs, because the amount of jobs on the labour market is not a fixed number, but instead it reflects the supply of labour (Dansk erhvervsavis, 2016:5). When refugees are integrated into the labour market, they are thus an advantage for the companies as they contribute to an increased supply of labour, which we can see leads to an increased employment rate. Furthermore, people on social security maintain the same degree of participation in company-orientated efforts, despite the increase in refugees taking advantage of the same efforts. This shows that refugees are not pushing other people on social security out of their jobs (DA, 2017:25).

1.3 Presentation of refugees in Denmark

In this section there will be a presentation of the characteristics of the refugees arriving in Denmark, and their current connection to the labour market.

The refugees arriving to Denmark to apply for asylum are a broad and diverse group, despite often being referred to in a homogeneous term when solely described as "refugees".

As it is evident from Table 1 it is not a new trend that some people strive to go to Denmark to earn a living, but the basis of residence differ greatly. From 1997 to 2011 238.512 people arrived in Denmark with very different basis for residence, which shows that it is not a new trend that foreigners moves to Denmark to make a living. This table shows that these movements are not fixed or static numbers, but that they differ from year to year, partly by national legislation, partly by EU legislation and partly by international and global events.

Table 1 number of newly arrived immigrants divided on immigration time and basis of residence

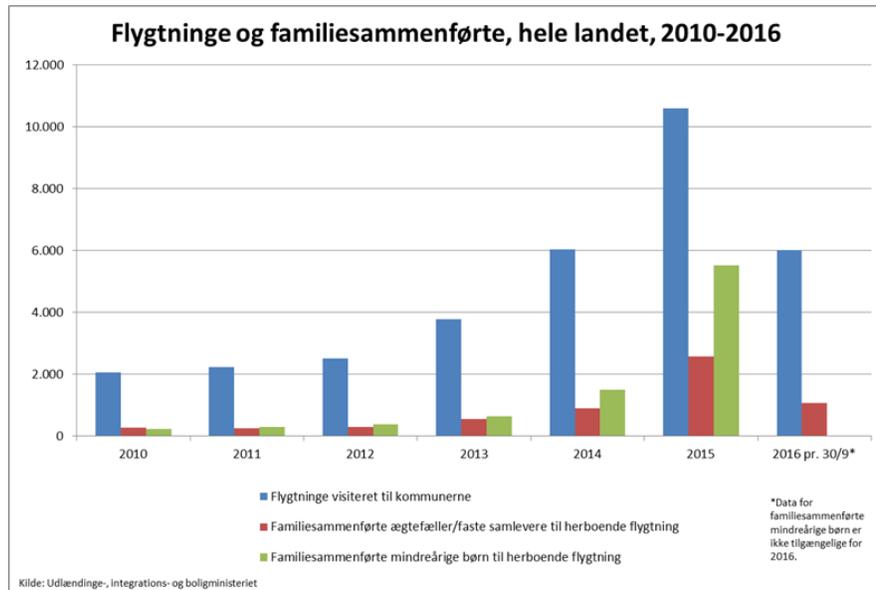
Basis for residence	1997-2002	2003-2008	2009-2011	total
refugees	18.444	7.058	4.380	29.915
family reunification to a refugee	11.743	3.754	1.307	16.804
family reunification to a Dane	12.912	7.356	3.468	23.736
family reunification to "other"	17.329	6.936	3.781	28.046
students	19.204	35.910	18.008	73.122
work	4.522	20.788	9.471	34.781
EU/EEA	20.800	43.598	43.898	108.296
unknown basis for residence	22.838	22.093	18.881	63.812
Total	127.825	147.493	103.194	378.512

Source: (Schultz-Nielsen, 2016:19)

Looking at Table 1, we can see a steadily decline of refugees arriving in Denmark from 1997 to 2011. From 1997-2002 the groups of “refugees” and “family reunification to refugees” accounted for 23,6 % of the total amount of immigrants arriving in Denmark, while this group had declined to 7,3% from 2003 to 2008 and finally the group made up 5,5% of the newly arrived immigrants from 2009-2011.

But as it is evident from figure 1.3, these declining numbers have been reversed and the amount of “refugees” and “reunification to refugees” have been increasing rapidly since 2014. Thus this rapidly increased number of refugees coming to Denmark shows how quickly international events can change the flow of refugees, and it forces the Danish government to act on this changing situation.

Figure 1.3 the amount of refugees and recombined family, across Denmark, 2010-2016

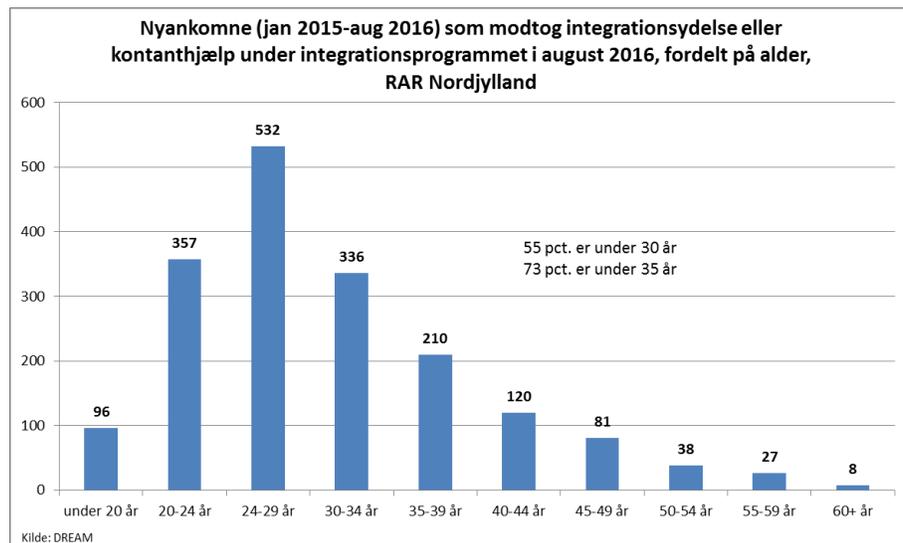


Source: RAR Nordjylland, see appendix figure 2. s.65. The blue column show the refugees revised to the municipalities, the red column shows the family reunificated to a refugee living in Denmark and the green shows an adolescent family reunification to a refugee living in Denmark.

This rise in immigrants creates long-term issues for the Danish government, because research shows that 90% of the refugees who arrived in Denmark from 1997 to 2004 were still in Denmark 10 years after arrival (Schultz-Nielsen, 2016:27). This shows that refugees are fleeing from long-term conflicts, which prompts a long-term strategy to deal with the difficulties and opportunities that such a rise in refugees will entail.

In the same paper there is a description of the ages of the groups of “refugees” arriving in Denmark from 1997 to 2011, which was an average age of 26,5 years and the “family reunification to refugees” had an average age of 21,2 (Schultz-Nielsen, 2016:24). The age gap can be explained by the inclusion of small kids in the group of “family reunification to refugees”, but it gives a general picture of the refugees in Denmark being primarily young people. When examining the refugees applying for asylum in Denmark more thoroughly, it is evident that a relatively large part of these asylum seekers are young people, who have many years ahead of them, being a part of the “fit for work” group between 16-66 years old.

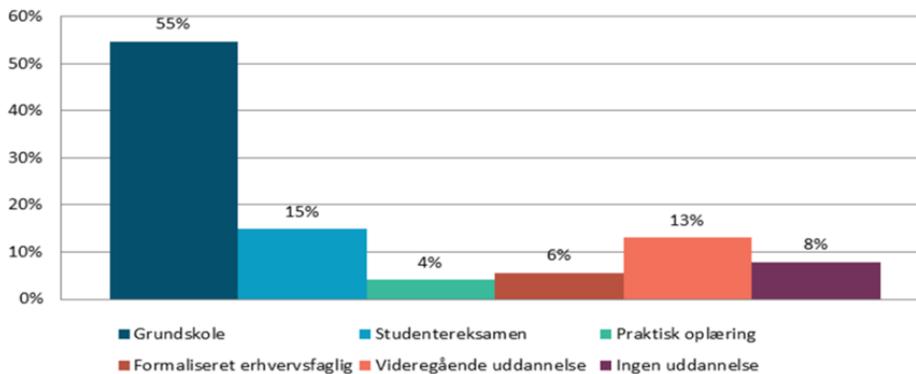
Figure 1.4 Age distribution of refugees



Source: RAR Nordjylland, see appendix figure 5. s.67. The blue columns shows the age distribution of the refugees who were a part of the integration programme or received “Starthjælp” in August 2016.

There is not a complete and official list of the qualifications of the newly arrived refugees in Denmark, but for a further understanding of the qualifications of the newly arrived refugees in Denmark, Figure 1.5 shows the distribution of qualifications among the refugees. As it appears, most of the refugees have a low set of qualifications, which will be a barrier for entering into the Danish labour market, just like a lack of qualification and education is a barrier for entering the labour market for ethnic Danes.

Figure 1.5 Distribution of refugee qualifications



Note: Figuren er baseret på besvarelser om 1.036 flygtninge.

Kilde: Udlændinge-, Integrations- og Boligministeriets og Rambøll Managements undersøgelse af flygtninges kompetencer.

Source: RAR Nordjylland, see appendix figure 4. s.66, This figure shows the distribution of qualification of the refugees. The dark blue is basic school, the light blue is high school level, the green is practical training, the dark red is formal skilled training, the light orange is a longer education and the purple is no education at all.

As evident from figure 1.5 the refugees in Denmark struggle with entering the labour market, in part due to low qualifications.

As a part of the preparation for the tripartite negotiations, the government prepared a discussion paper, which states that 3 years after having gained asylum in Denmark, only 30% of the refugees are in ordinary employment (FM, 2016:2). The governments ambition is to increase the employment rate of refugees to 50%, which will also boost the public finances by 2,5 billion DKK by 2020. In a longterm perspective the employment rate of refugees and people familiunificatied to refugees have a an employment rate around 35% after 15 years in Denmark (Schultz-Nielsen, 2016:30). The data from the Schultz-Nielsen rapport shows that this is a very ambitious goal.

It is evident from Table 2 below that those refuges and people reunificated to refugees who do find jobs are obtaining jobs with a low income. This table shows the income from both fulltime and parttime employment, but compared to the other groups in Denmark, refugees and people reunificated to refugees consistently has the lowest jobincome over. This shows that these groups remain within the same kind of wage group throughout their lives in Denmark without mobility to higher paid jobs.

Table 2 yearly salary based on basis of residence and the amount of time in Denmark, kr, (2015-prices)

Basis for residence	1 year	5 years	10 years	15 years
refugees	87.300	215.800	239.900	245.800
family reunification to a refugee	79.000	183.500	217.000	244.200

Source: Schultz-Nielsen, 2016:33

While some of the refugees and the family reunificated people gain jobs, there is a large group of unemployed people in these groups, and to understand their impact on the public finances, it is interesting to examine their consumption of public benefit.

Table 3 Public benefits divided on the basis of residence and the time in Denmark, in kr (2015 prices)

Basis for residence	1 year	5 years	10 years	15 years
refugees	61.500	120.200	107.200	117.200
family reunification to a refugee	50.200	128.200	125.200	129.000

Source: Schultz-Nielsen, 2016:36

From table 3 is it evident that there is long-term issues related to the low employment rate of refugees and the people who are family reunificated to refugees. These constant levels of public benefits are caused by a low connection to the Danish labour market, which entitle these groups to public welfare of varying level of benefits.

1.4 Refugees in the employment policy

In the political regulation today, there is a continual increase of the legal regulations towards refugees. A large part of these regulations is linked to a European policy, with the intent to scare away asylum seekers from applying for asylum in Denmark as well as prevent or limit their possibilities of reaching Denmark. I will not dive further into these discussions, only noting that there seems to be a political situation across the EU as well as in Denmark, where these issues are becoming more and more urgent, not only in relation to non-European refugees, but also in relation to internal European migration from east to west, i.e. the Brexit and the British debates related to eastern European migrant workers and their rights to social benefits.

When it comes to dealing with issues related to refugees through the scope of employment policy, changing governments in Denmark have used different employment policy strategies towards the refugees. A clear example have been the so-called “Starthelp”, which entailed a lowering of the social

security benefit level for refugees, which should have a discouraging effect on asylum seekers contemplating seeking asylum in Denmark, as well as a putting a lot of financial pressure onto the recipient of this kind of public welfare. The “Starthelp” is therefore one of the most distinct employment policy instruments that has been adopted within this policy field. On the 27th January 2017, the financial consultants to the Danish parliament released an analysis of the effect of participation by chaining the economic incentive, which questioned the effect of the “Starthelp” (FT – the financial consultants, 2016). This report has been criticized and praised from different actors, but it shows the underlining uncertainty related to calculating the outcome of certain implemented policies, especially in the field of labour market policies.

But no matter what approaches and instruments the changing governments have adopted dealing with these issues, it is evident that Denmark is still facing issues related to ethnic groups and their degree of participation in the Danish labour market. This is not only an employment policy issue, because integration into the Danish labour market on a long term is a massive contributing factor for successful integration into the Danish society in general. This dual aspect of integration is characterising for the integration strategy in the Nordic welfare state countries, where integration is thought in a broader way than just employment, but where long term employment is a central part in the integration process (SAMAK, 2016:8-9). The Labour movements Nordic Collaboration Committee (SAMAK) consists of the social democratic parties and the Confederations of Trade Unions (LO's), and they have released a publication regarding refugees and the welfare state. In this publication, connection to the labour market was seen as a central instrument for integration (SAMAK, 2016:8-9). Parallel to this, the conclusion that a long term connection to the labour market was important for a successful integration, was also a part of the reasoning behind the “Starthelp”. Thus there is an apparent agreement across the political spectre, that labour market connections are important for integration, but there is a vast disagreement when it comes to which instruments and policies should be implemented on this policy field, as well as how these issues should be addressed.

In 2002 the government under the liberal Prime Minister at the time, Anders Fogh Rasmussen, introduced the “Starthelp”, which was abolished by the following government led by the social democrat Helle Thorning Schmidt. The “Starthelp” was then again adopted by the liberal Prime Minister Lars Løkke Rasmussen, but now in a slightly different packaging, but the core remained the same: a social benefit

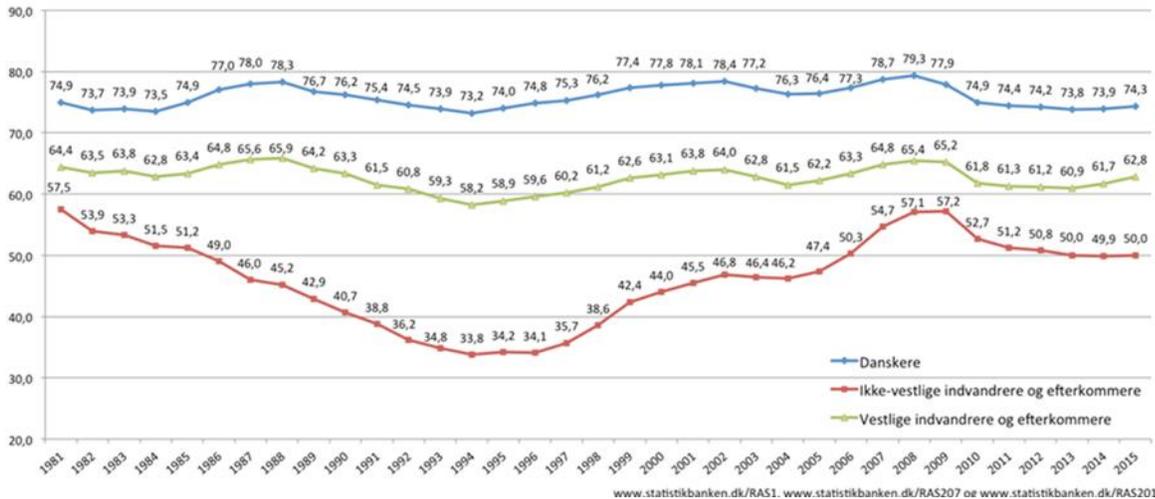
targeted refugees, which consisted of a particularly low level benefit as well as a list of distinctive requirements that the refugees must meet, in order to receive the social benefit.

There can be a lot of different motives and reasoning's behind regulations with such a distinct targeted group of citizens. As abovementioned, targeted regulations like these can be motivated by the desire to deter other refugees from applying for asylum in Denmark. From an employment policy point of view the central approach to such regulations must be to examine whether they are bringing the refugees closer to the labour market and thus increasing the supply of labour, or if they are motivating refugees to undertake and complete an education.

Whether or not this "Starthelp" has helped, in the narrow sense of increasing the refugees actual participation on the Danish labour market is difficult to say. This paper will not go into an in-depth analysis of the effect of the "Starthelp", but only note that it is highly debateable. The Economic Council said in 2017 that it saw "Starthelp" as having a doubtful effect (The Economic Council, 2006) The same conclusion was given in an answer from the then minister of employment Mette Frederiksen to the Danish parliament in 2011(FT – parliament debate, 2011). Furthermore, the doubts of the effect of this kind of regulations were again raised in a publication by the AE, when Lars Løkke adopted the latest version of "Starthelp" in 2015 (AE, 2015).

No matter what kind of political coalition constitutes the government, they all face the same issue, because it is evident that this group has a significantly lower participation rate when it comes to the Danish labour market. This has been the case, despite a serie of reforms trying to tackle this issue, which can be seen in figure 1.6.

Figure 1.6 Employment rate among people with Danish, western and non-western background, 16-64 years old, 1981-2014, in percent.



Source: RAR Nordjylland, see appendix figure 6. s.68, This figure shows the development of the employment rate, the blue line is ethnic Danes, the green line is western immigrants and their decedents and the red line is non-western immigrants and their decedents.

As we see in figure 1.6, the employment system has had a limited success in integrating certain groups, including refugees and non-western migrants into the active Danish labour force, even during the economic booming years up to the financial crisis in 2008 (Bredgaard, 2011:59).

Table 4 - employment frequency divided on the time in Denmark and basis of residence

Basis for residence	1 year	5 years	10 years	15 years
refugees	3,4	34,3	42,5	36,8
family reunification to a refugee	3,7	21,6	33,8	34,1

Source: Schultz-Nielsen, 2016:30

When examining table 4, it's evident that the long-term integration of refugees and people reunificated to a refugees into the Danish labour market have been inferior to the integration of the other groups of non-western immigrants.

On the basis of the abovementioned data, there was created an expert committee who, among other issues, were asked to create a separate report focusing on refugees in particular. The recommendations from this report were among other, that there should be a more significant focus on the company orientated effort as well as shorter and more intensive integration programmes. This increased focus on the company-

orientated effort should be a central aspect in the integration process, because it has shown to be the most effective instrument towards refugees (Dansk Erhverv, 2015). Thus this expert committee is pointing towards the importance of labour market integration and on how important roles ordinary employment as well as the companies play in this effort. The changing effect can be seen in the increasing use of company-orientated effort towards refugees. From 2015 to 2016, the number of refugees who are a part of a private company or in the public sector have increase a lot, which shows how the more company-orientated approach are being implemented (DA, 2017:26). The effect of these company-orientated efforts can be seen in the DA report, where nearly 80% of the refugees who have secured themselves a wage subsidy job started with a company traineeship before being hired afterwards (DA, 2017:30). Among other things, the positive effect of these company-orientated efforts can be found in their ability to generate an introduction period, where the refugee gets to learn the workplace culture. In addition to this the company is able to get a better understanding of the qualification of the refugee. These interactions and meetings between the companies and the refugees have created important experiences, which has led to an increasing focus on the company-orientated efforts.

1.5 Sub-conclusion

Summarizing the abovementioned data shows that Denmark has been unsuccessful in integrating refugees into the Danish labour market. The need for a successful labour market integration of refugees is becoming more urgent with the increase of refugees applying for asylum in Denmark, which has increased massively during the last couple of years. This is evident in figure 1.3. As it appears in figure 1.4, the primary group of refugees in Denmark are young and thus there is a huge economic potential in a successful integration into the labour market. As it is evident from the abovementioned data, the employment rate of refugees in Denmark has been continuously low in Denmark, despite different political interventions. This section shows that there is a need for a change in strategy towards labour market integration of refugees. A way of approaching these issues could be a more company-orientated effort and more inclusion of the labour market actors in the process.

2. The Danish Model

In this section there will be an introduction to the Danish Model and how this has been adopted to deal with the issues related to the poor integration of refugees into the Danish labour market.

Refugees and a need for better integration and labour market integration have been mentioned in the last three government platforms, but with different political approaches (Government platform 2011, Government platform 2015, Government platform 2016). Each of the three government platforms also mentions the collective agreements of the labour market actors and the Danish Model, as instruments solving significant challenges in the Danish society.

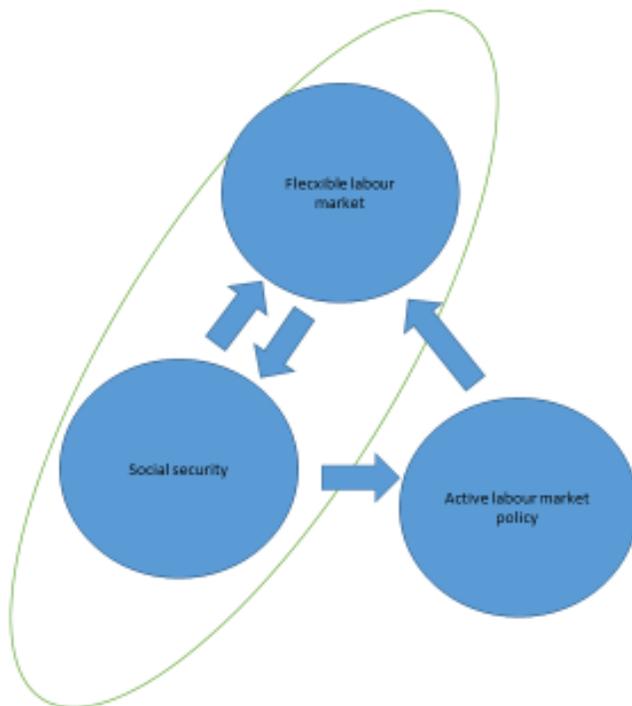
The Danish government formulated a goal with the aim to reverse the failed integration of refugees into the Danish labour market. This was the core of a collective agreement on this particular topic. These negotiations were finalized with an agreement on March 17th 2016 . This collective agreement has been highlighted by the Danish Prime minister Lars Løkke Rasmussen as a central component in an attempt to make a better effort within this policy field (Tripartite agreement on labour market integration 2016; the Prime Minister office, 2016). Among other things this agreement introduced the Basis Integration Education (IGU) (Tripartite agreement on labour market integration 2016). The IGU is an agreement in accordance to the collective agreements which means that the participating refugees will not receive a lower phase-in salary. Otherwise it would undermine the wage level of certain sectors of the Danish labour market. Thus the Danish Model becomes a central instrument in dealing with the issues that the Danish society is facing related to the refugee crisis.

In continuation of this increased focus on employment policy towards refugees, the prime minister raised ambitions on behalf of the refugees by striving to raise the employment rate of refugees, which is currently under 30%, up to 50% (Inger Støjberg, 2016). The minister of employment at that time, Inger Støjberg, backed up this goal during the proposal of the legislation that would, among other things, facilitate the collective agreement on integration.

2.1 The approach of the Danish Model

The figure below shows a central aspect of the Danish model: the triangle known as “Flexicurity”, which is referred to as the Danish golden triangle (Bredgaard et.al. 2017:107)

The Danish flexicurity model:



This triangle consists of a flexible labour market with an easy access to hiring and firing, which is a distinct feature of the Danish labour market, because this regulation largely takes place through collective agreements. Adding to the flexibility of employment, this means a high degree of social security and an active labour market policy, in which the state is an active actor. The main axis in this triangle is the connection between the flexibility of employment and social security, because up to a quarter of all people in employment each year is affected by unemployment, and thus receives social security or unemployment benefits (Bredgaard et.al. 2017:107). This is why the social security aspect of this triangle

is such an important part of the model. The third part of the active labour market policy is supplementing the main axis, in which unemployed people can get job training and education in a way that enhances their competences and thus increases their chances to get a new job. In the figure above, this effect is described as the *“qualification effect”*. Furthermore, this active labour market policy also includes a “motivation- and scare” effect that contributes to creating an increased pressure and motivation for the unemployed to be actively seeking a new job.

This model outlines the mechanisms in the Danish model, and in the subsequent section there will be a more in-depth look into the workings of the model.

In a broad perspective the Danish model and the Danish welfare state are connected. However this concept of the Danish model can be expanded to being a part of a *“Nordic model”*, which is what SAMAK is arguing for (SAMAK, 2016). As mentioned above, SAMAK consists of the social democratic parties and the Confederations of Trade Unions (LO’s), which in total represents 5 million members. SAMAK highlights that *“in the North, there is a larger share of the people who are either employed or taking an education, than in most other countries. Moreover, those, who are not employed, will get social benefits to support their lives, while a lot of other countries have to rely on their family for caretaking. These basic characteristics are often forgotten in the debates across the Nordic countries, when it comes to the debate about those who are not a part of the labour market”* (Bredgaard et.al. 2017:7). This report is based on the debate related to integration and what the cornerstones in this integration should be in the Nordic countries. SAMAK enhances, that the integration into the labour market is based on a set of cornerstones and outlines 21 of these cornerstones. It is not an absolute list of cornerstones, but it shows the direction in which SAMAK sees the integration in the Nordic countries (SAMAK, 2016:8-10). These cornerstones are among others: social democratic values, supporting the norms of the Nordic model, focus on qualifications rather than low wages, absolute employment, ordinary fulltime employment, adequate and targeted integrations courses, quick competence assessments, fast access to jobs, training and language education, a holistic approach to housing issues, close proximity between housing and occupation, day-care for the kids, cooperation between the labour market policy and education policy, focus on equal rights and fighting discrimination, accumulating knowledge and experiences on these topics. Furthermore a close cooperation between the labour market actors, who can support the organised labour market to deal with the issues arising from a labour market integration as well as influence the

political and structural framework of the labour market (SAMAK, 2016:8-9). It is evident from the SAMAK report that this is a very broad approach to the concept of the Nordic Model. There are a lot of topics that are directly connected to the labour market, but there are also a lot of topics that are more rooted in the foundation of the welfare state. SAMAK categorises these topics into 3 groups (SAMAK, 2016:23):

- Organised working life (this includes coordinated wage policy, broad collective agreements and local cooperation)
- Financial control (such as macro-economic policy and industrial policy)
- Public welfare (such as the welfare state, social benefit, active labour market policy as well as free public services and education)

Furthermore, SAMAK emphasises that to ensure the long-term wellbeing and labour market integration of the refugees without massive change of the Nordic labour markets, there is a need for a thorough approach to the process of labour market integration. This approach requires a broad collaboration on the application of labour market policy to deal with these issues (SAMAK, 2016:34).

Thus the SAMAK report gives a good view on how comprehensive the policy which is related to the Danish model is, including all the aspects it deals with. The SAMAK report also shows that lowering the wages to reflect to lack of qualifications of the refugees is seen as a threat to the Nordic model, because it breaks with the focus on high qualifications and high wages. Therefore there are several reasons for the members of SAMAK to engage in the debates and seek influence on the legislation and collective agreements related to refugees. Obviously the decisions made towards the labour market integration of the refugees will influence the labour market in general. The influence that the SAMAK members will try to assert will be based on the cornerstones of the Nordic model, but differentiated to each of the Nordic countries. This is evident in the collective agreement made by the Danish labour market actors, who have a specific focus on refugees. This collective agreement related to refugees will be further examined later on in this section.

2.2 The history of the Danish Model.

As mentioned in the paragraph above, there is a very high degree of job mobility on the Danish labour market. This high job mobility is a structural characteristic of the Danish labour market, which correlates well with the business structure of the Danish labour market, which mostly consists of either small or medium sized companies (Bredgaard et.al. 2017:109). This structure creates a lot of small internal labour markets on the local companies. This structure on the Danish labour market dates back to 1899 and the “September settlement”, where the employees acknowledged the right of the employer to manage and distribute the workforce, while the employer acknowledged the right of the employees to freedom of organisation. Furthermore the trade unions were the only actors who could make agreements related to the wage- and working conditions (Bredgaard et.al. 2017:109)

In continuation of the “September settlement” and with the recommendations from the August Committee, established in 1908, there was an institutionalization of this process in 1910. A national funded system for dealing with labour legislation and a settlement institution was established (Ilsøe & Larsen, 2016:180). Thus, in 1910, some of the fundamental institutions and cornerstones for the development of the Danish labour market were established. The “September settlement” ended a long and vast conflict between the trade union and the employer union, that developed into LO and DA. “The September settlement” can be seen as the constitution of the Danish labour market and was in place up until 1960 where it was replaced by a new main agreement between DA and LO. However this main agreement remained within the framework set by the “September settlement”, and thus the fundamental cornerstones of the Danish labour market can be traced back to 1899. “The September settlement” laid out the blueprint for solving conflicts on the labour market, and for the labour market actors to negotiate their own wage- and work conditions without governmental interventions. During this time, a public supported unemployment fund was established within the trade unions. This cleared the way for the state to act as the third part of the Danish model by supporting the unemployment fund and institutionalizing the labour legislation etc. Never the less the core of the Danish model is still the collective agreements between the employees and the employer (LO, 2011:14).

This self-regulating system is based on the voluntary collaboration between the employees and the employer, and they defend their right to reach collective agreements whenever there is a pressure from political intervention (Bredgaard et.al. 2017:109).

This thesis will not examine the in-depth development and the history of the Danish model, but only highlight a few of the central points in the development and some general tendencies. There is an ongoing adjustment of the Danish model in relation to new legislation related to vacations, state officials etc. so in this way, the Danish model is being influenced by the development on a legislative level, as well as influencing that same legislative level. This also continuously cements the cornerstones of the Danish model, as seen in the Main agreements from 1960 as well as the labour law commission from 1963, which both state that there is no need for a common legislation on the collective agreement. This has also been the case in the other Nordic countries (Ilsøe & Larsen, 2016:183). It is important to underline the development in the 1970's, where in the wake of a financial crisis there was a range of strikes and a lot of legal interventions in the collective agreement negotiations. A renewed major conflict in 1985 ended with a legal intervention, and the parties agreed on a collective agreement with a decent wage increase in 1987. With this "Joint declaration" in 1987, the labour market actors, DA and LO, together with FTF and AC, agreed in a collective agreement with the government at that time, that further negotiations should be done within an "*accountable socio-economic framework*" (LO, 2011:23). From this agreement LO created their slogan "rather an employment party than a wage party". This agreement also laid the building stones for creating the occupational pension scheme. Thus a central part of the structure of the entire welfare state is being influenced by the collective agreements reached by the labour market actors (Ilsøe & Larsen, 2016:28).

EU legislation has its point of departure in a legal set of rules, which can threaten the voluntary nature of the Danish model. The EU-legislation is implemented in Denmark through an "Implementation committee", made by the labour market actors in 1993, who assess the best ways of implementing EU legislation into Danish agreements. Afterwards this is transformed into legislation for the rest of the labour market (LO, 2011:24). This is another example of how the Danish model is a central instrument and able to adapt to the changing challenges and how it has been used to find solutions within the framework of the Danish bargaining system (LO, 2011:36).

DA is the head organization of 14 employer organizations on the private labour market, and it represents more than 24.000 businesses. The collective agreement roughly covers 84% of the entire labour market and 74% of the private labour market. In 2012, an estimated 53% of the employers were members of an employer organization (Ilsøe & Larsen, 2016:29).

LO is a federation of trade unions and consists of 18 trade unions and 4 trade cartels with 1.026.181 members pr.31/12/2015, of which 822.281 were related to the labour market (LO – facts and numbers). The private sector comprises app. 600.000 employees and is covered by around 500 collective agreements.

2.3 The Danish model and the political interaction

The Danish model is a central part of the Danish labour market and is an often referenced concept. It is often described in terms that are closely linked to the Nordic model that SAMAK is referring to. It is also referred to as the Danish agreement model.

LO emphasizes that there are different definitions of the Danish model, depending on what organization or research tradition is commenting on the Danish model (LO, 2011:16). *“The definition is often in a broad description of the cooperative aspect, that has enabled the development of the Danish welfare state during the 20th century, especially the development of the flexible regulated labour market, the development of unemployment benefits and the active labour market policy”* (LO, 2011:16) Here LO underlines that they subscribe to this broad definition of the Danish model, where the Danish model develops in a interaction between the labour market development and the development in society.

The LO definition of the Danish Model correlates well with the definition of the Nordic Model, that SAMAK advocates. This comes as no surprise since LO is a part of SAMAK, but it is interesting that there is such a clear correlation between the Nordic Model and the Danish Model.

Jesper Due and Jørgen Steen Madsen first coined the term “the Danish Model” in their 1993 book (Ilsøe & Larsen, 2016:22ff). Here they highlight four aspects of the Danish model, that had been central in the September settlement, and which was still central in 1992(Ilsøe & Larsen, 2016:23):

An organized labour market with strong organizations of both employees and employers

- Centralized collective agreements with conciliation boards
- A consensus based relationship between the actors and a relatively low level of conflicts
- An agreement based labour market with voluntary collaborations and limited legislative interference.

Examining the Danish model according to “the Danish model seen from the outside”, it shows a development of the Danish Model up through the 90’s and 2000’s. In this time, there is a range of central agreements which relates to a broader range of political topics and can be found in the policy field between the agreements system and the political legislation system. Therefore Jesper Due and Jørgen Steen Madsen expand their definition in 2006 to consist of the following 6 elements (Ilsøe & Larsen, 2016:24)

- High degree of organization and high rate of coverage of the collective agreements
- National coordinated collective agreement negotiations
- A cohesive multilayered system
- Conflict and consensus
- Voluntarism – self regulation with a limited legislation
- The agreement system and the political system.

This development of the scope of the concept of the Danish Model is reflected in the way LO views the Danish Model, and how they are viewing the Danish model in a broad perspective.

This also shows that there is a depth in the concept of the Danish Model, which enables to connect the agreement based system with the political system when it comes to collective agreements with the common statement from 1987 and with the later EU implementations.

It is not only LO who are vocal in their support for the Danish Model. DA’s deputy CEO, Pernille Knudsen, is emphasizing the unique structure of the Danish Model and how successful it is (Ilsøe & Larsen, 2016:425). DA highlights that the model is not just unique compared to other European countries. It has also delivered results and development for over a century and has uphold the interests of both the

employers and employees when faced with possible quick interference from a political perspective. Pernille Knudsen is emphasizing the same 6 elements that Jesper Due and Jørgen Steen Madsen has described. When Pernille expands on the reasoning behind DA's support of the Danish Model, she refers directly to the work of Jesper Due and Jørgen Steen Madsen.

When talking about the difficulties facing the Danish Model, Pernille Knudsen names a declining number of members in the trade unions as well as EU regulations. But she emphasizes that *"the Danish Model has existed for over a century and there is no sign that shows that it will not also exist in a century to come"* (Ilsøe & Larsen, 2016:430). Thus there is a rather fundamental support of the Danish Model from the Danish employers, both now and in the future. Even if there is support for the Danish Model there are still problems with the Danish Model, such as a lower introduction wage for some employees. DA argues that the solution to these kinds of problems should be found within the framework of the Danish Model, not a shortsighted politically enforced legislative solution.

LO's president, Lizette Risgaard, emphasizes that *"it is the will that drives the Danish Model"* (Ilsøe & Larsen, 2016:435) and from an LO perspective there is still a high confidence in the Danish Model. Lizette Risgaard also underlines that *"sometimes it sounds like that the Danish Model is the aim in itself. This is not the case. This has never been the case. This will never be the case"* (Ilsøe & Larsen, 2016:435). She emphasizes that it is the benefits from the Danish Model that are important to LO. These benefits are among others related to the fixed wages and the terms of contract, but also concerning the security of the employees, freedoms and development possibilities. Lizette Risgaard also outlines some of the issues that face the Danish Model, such as social dumping, forced part time contracts, foreign employees and cross-border relations. These issues are all issues related to the ability of the Danish Model to adapt to the collective agreements. Thus they should be dealt with within the framework of the Danish Model.

As mentioned above, LO underlines that there is *"a will"* to support the Danish model. But it also shows that the tripartite, consisting of the government, the employers and the employees must all show this will to make the Danish Model work and to develop it, despite the inevitable conflicts of interest between the actors. As DA phrases it, the employers and employees must work together in order to prevent political quick fixes and show the government, that the Danish Model is worth the effort that is put into it. Furthermore they must show that it can be developed and adapted to the changes, but also that it is vulnerable to political interferences on core issues.

With the development of the concept of the Danish model and its interaction with the development of the Danish welfare state, it is evident that the concept has been expanded beyond the scope of just labour market policy. This is shown in the discussion of how to integrate the surge of refugees who arrived in Denmark primarily in 2014 and 2015. Here interaction with the Danish labour market is seen as a key instrument in achieving a successful integration into the Danish society. This will be further examined in the paragraph to come, in which collective agreements with a special focus on refugees will be examined.

2.4 The challenges of the Danish model

In the previous sections there has been a presentation of some of the issues and challenges that the Danish model is facing. There is a broad scope of challenges to the Danish Model, and their magnitude and significance varies. When DA states that the Danish Model has existed for a century and will exist for a century to come, it is not because it will exist in its current form, but because of the unique way the Danish Model can adapt and develop in time. I will in the following section underline some of these central challenges.

2.4.1 *Internal party relations*

A range of the issues the Danish Model is facing are rooted in the relationship between LO and DA. These can also be influenced by the government, who can support either side in different cases. This concerns the degree of coverage of the collective agreements, the conditions for union members and the degree of coverage of unemployment benefits as a part of the security part in the flexicurity concept. Here the government plays a major role because it is co-financing the unemployment benefit, and there is a high degree of details in the legislation concerning unemployment benefits. Furthermore the structure of the taxation system also plays a role in the funding of the trade unions. The structure of the taxation system and members' ability to deduct the trade union member fee means a lot to the trade unions and their individual competition for members. Particularly as LO has seen a decrease in members recently.

2.4.2 *The collective agreement system*

Another type of challenges can be found in the development of the structure of the collective agreement system. There has been a decentralization of the collective agreement elements, so that there are more parts of the agreements that are being settled in the individual company. At the same time, they also point to the fact that the collective agreements are covering a broader range of topics, such as pension, leave,

anti-discrimination, vacation etc. This scope appears to be broadened. When examining the negotiation competences of the involved parties, LO and DA are central actors because of their role in the main collective agreement. However there are other sector specific collective agreements, and some of these decisions are handled as local agreements. Simultaneously, these collective agreements are a sign of collective representation of interests from the labour market actors, while a lot of legislation or periodic tendencies are more reflective of individual preferences (LO, 2011:17).

2.4.3 globalization, the EU and law

Globalization, foreign labour, social dumping and outsourcing are also a set of topics with significant challenges related to them. In the extension of these international challenges, the refugee crisis is the latest challenge for the Danish Model. Here the Danish Model shows its ability to act and adapt to the challenges, when the tripartite actors got together in the latest common agreement and created the IGU through agreements between DA and LO, instead of a possible politically enforced introduction wage for the refugees.

EU and legislative regulation are also topics that are causing some issues, because the EU regulations often are regulated through legislation, which conflicts with the Danish agreement system. As described in the previous section, these challenges are addressed through an implementation committee. The labour market actors negotiate these EU regulations into the collective agreements, and not until this point will there be a legislative implementation of the last necessary parts. This is an example of how the Danish Model has been able to cope with European integration Nedergaard, 2004:81ff;211ff).

When comparing the Danish Model to its European counterparts, it is evident that there are a lot of differences across the EU (LO, 2011:82ff). This thesis will not make an in depth comparative analysis of the cross-country differences across the EU, but briefly mention some of the differences that creates challenges for the Danish Model. These differences are not just based on the legislation, they are also rooted in the differences in culture and history across the EU (LO, 2011:25). There are also differences to which the degree employers and employees are organized in trade unions, while the mutual trust and negotiation culture across countries varies as well.

2.4.4 *Government power versus labour market party power*

One of the challenges that the actors face is the changing structure of the central administration, and what it does to the Danish Model. The Common agreement from 1987 was created in the labour ministry, but the then Labour Minister Henning Dyremose became Minister of Finance in 1989 and he dragged a part of the handling of the labour policy into the Finance Ministry (Torfing, 2004:89ff). This was not only because of the interest and preferences of Henning Dyremose. It was also a sign of how the perception of the labour market policy had changed, and the scope of the policy field had broadened, now being more intertwined with the general economical development. This shift meant that DA and LO had to follow the policy field, and they had to change their approach to influence the policy field. This included among other things that DA and LO had to contribute with more analysis of the research field in order to be able to frame the policy issues and define the forthcoming challenges, instead of reacting to the policy fields. This also shows the adaptability of the Danish Model, where the actors have been able to adjust not only to topical issues but also to structural challenges (Ilsøe & Larsen, 2016:425)

2.5 The collective agreements and influence

There is a lot of interaction between the government and the labour market parties, not just during the negotiations of the tripartite agreements, but representatives from the different labour market actors are interacting in different committees. This interaction between labour market actors on topics broader than just labour market policy reflects the expansion of the Danish Model.

This interaction between the labour market actors and the political system allow the labour market actors to exercise influence on the policy issues to the extent, that especially DA and LO can reach an agreement. It is in the interest of the government to act on the common agreements from the labour market actors, because the endorsement of both the DA and LO gives a wide foundation for political actions on an otherwise very complex field of policy “*tripartite agreements is said to basically concern the fact that the labour market actors and the government uses each other to work towards their own goals*” (Ilsøe & Larsen, 2016:253). From a governmental perspective, the inclusion of DA and LO gives a good access to information as well as good partners in implementing the policy. Furthermore, the responsibilities of the collective agreements and the political work can be shared among the actors

because they all have come together in the agreement. LO and DA can also use the success of the collective agreements to show their members how important it is to be a members of their trade unions and not some of the competitors, which especially is the case for LO.

In the last 3 government platforms there has not only been a mention of the labour market policy or the other policy areas related to the Danish Model, but furthermore there has been separate sections specifically addressing the tri-partisan agreements. This is not just to mention the tri-partisan agreements as a concept, but to address them as instruments to deal with specific issues.

In 2011 the S-R-SF government platform, called "*A Denmark that stands united*" (Government platform 2011) refers to the tripartite agreements as an overall solution for the Danish economy. This includes a range of reforms to increase the labour supply and to contribute to improving the competitiveness of the Danish economy. This government platform also addresses how the integration effort should help getting foreigners into ordinary occupation.

In 2015 the V-1 government had the government platform "*together for the future*" (Government platform 2015) which also stresses the importance of the tripartite collaboration after the previous government had had troubles conducting the negotiations. In this government platform it states the labour market parties "*should be a part of shaping the policies that affects them and create the best and most solid results*" (Government platform 2015:6) This argumentation for expanding the tripartite negotiations correlates with the reasoning behind an inclusive tripartite collaboration which has been described previously. Furthering the inclusive tone, the government platform states that it will not only limit the tripartite cooperation to only labour market specific issues but underlines, that "*tripartite discussions on issues important to the society*" and that "*the government want to revive the broad cooperation*" (Government platform 2015:13) as a relation to the problems during the previous government. This government platform also addresses issues related to foreign labour in Denmark and their working conditions and wages, which should be in line with the Danish Model. Thus the V government opens up for using the collective agreements as a tool to deal with these issues, instead of setting a more legislative based outline for their policy.

In 2016 the V-2 government platform "*for a more free, rich and safe Denmark*" (Government platform 2016), the government has repeated the emphasis on the inclusion of the labour market actors and the

tripartite agreements. This government platform states that *“the Danish Model means that we have a flexible and efficient labour market that contributes to make Denmark competitive in an increasing globalized world, but we have to ensure that we are including every one”* (Government platform 2016:35). Furthermore, the government will *“continue the constructive cooperation with the labour market actors on central society issues, including a strengthened and more direct further education program for adults”* (Government platform 2016:35). Lastly this government program also states that foreign labour in Denmark should live up to the Danish standards, and thus the Danish Model is yet again seen as a guiding tool for further labour market policy development.

These three government platforms highlights some central issues for the labour market actors, which are that the model is agreement based and that it needs to be advanced and promoted. Advances in the Danish Model can for instance be issues related to the continued training of adults or proper working conditions, which are both important for employees and employers. Where the former see the access to continued training as a way to gain job security, the latter see it as an premise to access highly qualified labour.

Between the government platforms of V-1 and V-2, the labour market actors had reached a collective agreement specifically related to refugees (Tripartite agreement on labour market integration 2016). In this collective agreement, the IGU was introduced, where the refugee can be hired on a 2-year trainee contract with a wage that is fixed in the collective agreements. The IGU was created by LO and DA and thus they prevented a political intervention with a lower introduction wage for refugees. In relations to this debate, it is interesting to notice that DA argued against a legally fixed low wage for refugees, because a legal fixed wage would go against the traditions of the Danish Model and undermine the trust based relationship between DA and LO (Ilsøe & Larsen, 2016:432). Instead of a political intervention, DA and LO showed their ability to define the Danish Model by proposing the IGU, which framed to labour market policy within the tradition of the Danish Model. This resulted in a collective agreement without a low introduction wage, but instead it had its focus on jobs and ordinary occupation.

2.6 Sub-conclusion

Summarizing the abovementioned section shows the development of the Danish Model and how the scope of this model has been broadened in order to cope with the changing challenges that the Danish

Model has been facing. From this section is evident that the development of the Danish Model is dependent on the cooperation between the state, LO and DA. The tripartite agreements that the state, LO and DA reaches have significant influence on the wider labour market in general and thus is an important instrument in generating coherence between the interests of the key actors. The Danish Model has faced a wide range of threats, but has been able to cope with these challenges, which is why it is important that the 2016 tripartite agreement are targeting key issues such as the labour market integration of refugees. From section 2, it is furthermore evident that it is in the interest of the state, LO and DA to address the challenges created by the refugee crisis, because if the problems are not solved, it will have a negative effect on the actors ability to advance their own preferences.

Analytical part.

This analytical part aims to examine why the three central actors on the Danish labour market cooperate in order to deal with the problems that are created by the surge in refugees and their lack of integration into the Danish labour market. Through applying RCI and HI to the development of the Danish Model, this thesis strives to analyse the motives and intentions behind the actions of LO, DA and the state.

Analytical part 1.

The first part of the analysis will examine the development of the Danish Model through the scope of HI and the application of critical junctures and path dependency to key elements in the history of the Danish Model.

As mentioned in section 2.2, the foundation of the Danish Model was laid with the September settlement in 1899 and supplemented with the institutionalisation of this process in 1910. This agreement has been described as the Danish labour market constitution and was the outcome of a turbulent period of time. In an HI perspective this period of time up to 1899 can be described as a critical juncture, where there had been conflicts between the employees and the employers for a number of years, which correlates with the abovementioned definition of critical junctures which is “*a period of significant change*”. The September settlement has been described as the constitution of the Danish labour market, and through more than a decade of events it has been able to change and adapt to the times. When talking about the

Danish Model facing troubles, it is also relevant to examine just how turbulent Danish and international history has been since the agreement was signed in 1899. The Danish Model has survived two world wars, financial crashes, the cold war, unemployment highs and lows and the creation of the EU. All these events have occurred at different points in time, but the fundamental basics laid down in 1899 have prevailed. As described in section 2.2, the Danish Model has not been a static institution and has been through series of changes, but they have all been within the framework of the original September agreement. This development is described in HI as *path dependency*, where the previous decisions influence the decision making yet to come. These ongoing collective agreements have been following in the footsteps of the September settlement and its cornerstone ideas, while adjusting the Danish Model to the contemporary challenges. This path dependency may vary from the original point of origin, but the deviation from the September agreement has not been of such a proportion that it could be described as a critical juncture, despite the ongoing challenges.

From 1899 to the 1980's the development of the Danish model followed the same path, but it faced serious challenges in the first half of the 1980's. Here the labour market parties were facing tough negotiations in short intervals which created a lot of friction and crisis on the Danish labour market. At this point the then social democratic government resigned in 1982, and the conservative Poul Schlüter became the Prime Minister. The political intentions of Poul Schlüter were to stabilise the finances by discontinuing the automatic inflation link of the wages, which was causing inflation issues for the state (Due & Madsen, 2010:330). At this point the labour market parties could not reach an agreement, and the government had to intervene and legislate on the policy area. This showed that the agreement based Danish Model was facing serious challenges. This point in time can in a HI perspective be categorized as a critical juncture, because at this point LO and DA could have refused to negotiate and thus abandoned the Danish Model. Another reason why this is seen as a critical juncture is because of the significant paradigm shift that occurred as the outcome of the common declaration of 1987. Since this common declaration the focus of the Danish model changed "*from wage party to an occupation party*" (Due & Madsen, 2010:331). One of the central aspects of this common declaration was the change in scope of the collective agreements. This common declaration made LO focus on pursuing wage policy that fostered an overall competitiveness, instead of sole employee perspective on wage negotiations. This focus on competitiveness is a central element in the solving of the critical juncture that the Danish Model

was facing. By focusing on competitiveness, LO showed that they could take on responsibility for a general problem for the Danish society, which was its ability to compete with the surrounding countries. Therefore, instead of abandoning the Danish Model, the labour market parties developed the model and broadened the scope of the collective agreements in order to solve the problems that they were facing (Ilsøe & Larsen, 2016:331ff)

After the common declaration in 1987 the next big challenge for the Danish Model was the increasing number of EU directives on the labour market policy, which included directives on regulating working hours, part time occupation and cross boarder employees (Ilsøe & Larsen, 2016:332). EU directives meant that they had to be ratified into legislation, which would undermine the agreement based Danish Model. Having a continuously stream of external EU legislation being forced onto the Danish Model would undermine it, and it would render it obsolete if it was not adapted to deal with these changes. The way that the labour market parties dealt with this issue was within the framework of the Danish Model, and it can be described as following down the same *path*. The creation of the implementation committee in 1993 shows the adaptability of the Danish Model, and how the actors are able to maintain on the same agreement based path, while still dealing with the challenges at hand.

Up through the 2000's and the 2010's the work with the Danish Model continued down the path of an agreement based institution, with the intention of creating collective agreements with the aim of solving a wider range of issues. During this time Denmark and the rest of the world was hit by an extensive financial crisis in 2008, and this has affected labour markets across the world. Dealing with these issues, the labour market actors have kept striving to achieve collective agreements that could deal with the issues, both related to the members of DA and LO, but also on a broader societal level. As mentioned in section 1.3, there has been an eagerness to reform related to the Danish labour market, but these reforms have been within the scope of the Danish Model and have been conducted in parallel with the collective agreements. The importance of the Danish Model and the collective agreements can be seen in how the tripartite agreements have been written into the last three government platforms. This has followed down the same path as set out in 1987, where the scope of the collective agreements expanded in order to deal with the more general issues that the society was dealing with. The financial crisis in 2008 has had a big influence on the tripartite collaboration and the legislation in the same period. This has reflected the scope of the collective agreements, as well as the more recent refugee crisis has impacted the scope of

the collective agreements. This broadening of the scope of the collective agreements in order to tackle some of the issues on a societal level can be seen as the Danish Model and the labour market actors following down the *path*, that was set out in 1899 and adjusted in 1987 to reflect the importance of involving the labour market in the decision making process. This continuous development of the scope of the Danish Model has led to the collective agreement of 2016, where there has been a separate section targeted specifically towards refugees. This is a result of the lack of ability for the political institutions to effectively managing the refugee crisis and the following high unemployment rate of the refugees. The scale of the crisis has lead the state to include the refugee crisis into the scope of the Danish Model and thus following the path of tackling certain core societal issues in a tripartite agreement with the labour market actors. The period leading up to the tripartite negotiations in 2016 can be described as a critical juncture, as the sudden surge of refugees and the failure of integrating them into the labour market, as shown in section 1.4, were pushing the government to propose a legislative minimum wage. The crisis led some interest groups and political actors to work on creating legislation that would create a phase-in salary for refugees (Ilsøe & Larsen, 2016:432). If there had been enough support for this legislation, or the government had deemed it necessary to create such legislation, the Danish Model would have been seriously challenged on a key issue. Thus the labour market actors where at a critical juncture, because if they didn't act in relation to the refugee crisis, the government could have made severe changes to the Danish Model in order to try and solve the massive problems at hand. Remaining within the frame of the Danish Model, DA and LO created the IGU as an instrument to foster a better way for the refugees into ordinary occupation. LO and DA collaborated on the creation of the IGU as an instrument, presented it to the government and it was implemented almost as it originally was written. This shows that DA and LO managed to act on a societal challenge and come up with a possible solution, which was in line with the Danish Model. In the following section there will be a more in-depth analysis of the 2016 collective agreement targeted refugees and the interests and motives of the state, DA and LO.

Analytical part 2.

In this part of the analysis, there will be a more in-depth analysis of the basis of the 2016 collective agreement and the specific section targeted towards refugees. Here RCI and HI will be used to examine the preferences and motives behind the actions that lead to the agreement. When examining the 2016

collective agreement, it is important to apply the central ideas of the RCI and HI to the study. The 2016 collective agreement was not created in a political vacuum, and it is interesting to examine both the historical context as well as the preferences of the actors and their strategic considerations.

As described above, the development of the Danish Model can be described as having a path dependency to it, as well as having faced some critical junctures and coped with them in accordance to the tradition set out from the September settlement in 1899. In 2016 the state, LO and DA had developed the model for over a century, and a part of this path dependency can be described as the development of a *inertia* in the model, where the actors have built up mutual trust for more than a hundred years. Thus they have a certain degree of lock-in in their actions, in order to maintain the mutual trust. This history of the Danish Model also demonstrates “*increasing returns*” for the actors, where they have continuously worked to adapt the Danish Model to face the challenges ahead, instead of abandoning the model completely.

When examining the preferences of the three central actors of the Danish Model it is important to emphasise, that the list of preferences is inexhaustible and thus requires a certain degree of limitation. In the following section there will be a presentation of the preferences that have been attached to each of the actors. These preferences can both be empirically based or theoretically imputed, but despite the different nature of the aspect of the preferences they will be an account for the relevance of the preference assumption.

In this thesis the preferences attached to the actions of LO have been their interest in securing orderly wages and labour conditions in a competitive perspective, employment security for their members, strengthening the collective agreement system and the Danish Model, gaining political influence and legitimize their own role in the Danish Model (LO, 2011)

In this thesis the preferences attached to the actions of DA have been their interest in securing orderly wages and labour conditions, minimizing the number of strikes, ensure a large influence for the individual companies to negotiate local collective agreements, strengthening the Danish Model, political influence as well as legitimizing their own existence and role in the Danish Model. Here there has been an imputed on a theoretical and empirical basis, in a general sense, where the general literature of the DA preferences shows the above-mentioned characteristics’

In this thesis the preferences attached to the actions of the state are their interest in having a well-functioning labour market that can contribute to growth as well as financing the welfare state, securing the legal rights of the citizens and sharing the responsibility of an effective labour market with the relevant actors. Furthermore it aims to benefit from LO and DA's knowledge and resources for a more knowledge based approach as well as their ability to facilitate implementation of agreements within this policy field. As with the preferences of DA, here there has been an imputing of preferences to the state, based on the literature and the theoretical approach.

As it is evident from the presentation of the preferences above, there are some similarities between the actors, but the reasons behind these preferences may vary. LO is interested in securing orderly wages and working conditions for their members, which is also in the interest of DA. DA is interested in this, because they see it as a way to gain calm and orderly conditions on the workplace, and thus creating a long-term stable situation that allows the companies to conduct long-term investments. Both DA and LO want to influence the Danish Model in ways that share similarities, but still differ. LO wants to use the Danish Model as an instrument against social dumping and introduction wages (Ilsøe & Larsen, 2016:438), while DA wants to strengthen the Danish Model in order to secure more freedom and flexibility for their members to negotiate local collective agreements more in line with their local situation, but still with a strong central coordination in a centralized renewal process (Ilsøe & Larsen, 2016:427). The state is interested in the Danish model because it allows the state to utilize from the resources of LO and DA as well as sharing the responsibility on this very complicated policy area. The state is also interested in securing a stable labour market with few striking days, as it is expensive for both the individual company and the state when the production is put to a hold.

As it is evident from this short presentation of the preferences of the three central actors there are a range of shared interests and common goals. The history of the Danish Model shows that the actors see that cooperation is a desirable way to promote their own interests. This correlates with the RCI notion of actors striving to cooperate because they gain more from cooperation, and further cooperation reduces the transaction costs. Having an institution such as the Danish Model developed over a hundred years shows the positive outcome of collaboration, which the different actors have benefitted from in various ways.

The unique character and development of the Danish Model entails that an involvement of DA and LO is desirable. Thus the Danish Model puts institutional constraints on the effects of policy efforts related to the Danish labour market. As it is evident from section 1, the past policy effort to integrate refugees into the Danish labour market has not been successful, and there is still a high unemployment rate of refugees 3 years after getting asylum in Denmark. The government has tried to affect employment rate by affecting the incentive of the individual by tightening the demands for receiving public benefits through the creating of the “Starthelp”. These policies have had the intention of both trying to discourage refugees from coming to Denmark in the first place, as well as increasing the financial incentive for the refugee to more actively searching for a job and thus contributing to increasing the supply of labour. Despite the intention of increasing the supply of labour by targeting refugees directly, the effects of “Starthelp” are quite modest if not questionable, only generating an increase in the labour supply by 400 in 2020, as mentioned in section 2. Despite a range of reforms sharing the same agenda and an effort to improve the ability of the municipalities and vacancy centres to secure occupation for the refugees, the low unemployment rate and surge in numbers of refugees has caused the government to change strategy. It is in this context of vast political issues for the government in dealing with the refugees, that the process of creating the 2016 collective agreement should be seen. The government has had disappointing results of its prior initiatives, which in part can be explained by the lack of involvement of the labour market actors. The institutional constraints had meant that the state had not been able to make major efforts in directly influencing the incentives for the Danish companies to hire the refugees. Therefore it is another step down the path dependency of the Danish Model that the state chose to actively involve the Danish Model in the government platform of the second Lars Løkke Rasmussen government in 2016.

When examining the position of LO and DA neither of them had a special interest in taking on a societal responsibility towards refugees to begin with. The qualifications of the refugees were not competitive compared to the wage level secured through the collective agreements, and thus the Danish employers did not see the refugees as a profitable investment ((Ilsøe & Larsen, 2016:432). LO saw the surge in refugees as a threat to their own members, because they were worried about their own members being pushed out as a part of social dumping through lowering the wages of refugees (Due & Madsen, 2010:438). As previously described, DA was also against a legislation-based minimum wage, so both LO and DA had interests in opposing the creating of such an initiative. DA and LO’s concerns can be described with two of HI ability gaps, which is the short-term political electoral cycle, and the effects of unintended

consequences. LO and DA has more than a hundred years of cooperation invested into the Danish Model, and this would be jeopardised by short term political solutions, which DA describes as “*oops solutions*” ((Ilsøe & Larsen, 2016:425). LO and DA had genuine worries that a short-term political solution would have widespread unintended consequences for the future of the Danish Model.

It was on the basis of these different points of origin that the government invited LO and DA to tripartite negotiations in 2016. The government had in the government platform outlined how it would strive to utilize the tripartite cooperation to deal with a range of societal issues, which was evident in the foundation for the invitation to the 2016 tripartite negotiations. The government wanted to have three major focus areas for the forthcoming tripartite negotiations, which was firstly refugees, secondly basic education of young people and their access to traineeships, the third part was qualified labour force (FM 2016:8). The government had a condition, that the first issue to be dealt with was the refugees, and afterwards the other topics would be the centre of attention for the negotiations.

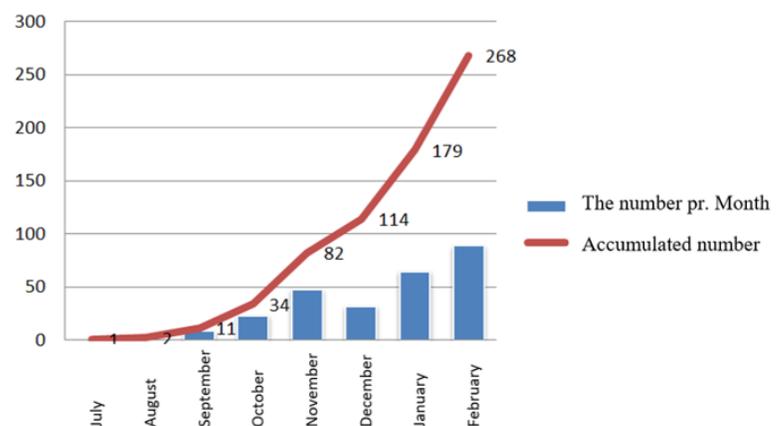
This range of topics made it strategically very interesting for LO and DA to participate in the tripartite negotiations. The second and third points on the agenda are both corner stones in the preferences of DA and LO, so an active role in helping the state dealing with the refugee issues would enable DA and LO to negotiate further collective agreements on their core areas (LO, 2016). These different interests coming together in the 2016 collective agreement shows how the strategic constraints of the actors on the Danish labour market influences the development of the Danish Model. Here the strategic and institutional constraints described in RCI can be used as an instrument in explaining the actions of the three actors. Thus LO and DA see that their opportunity to gain significant influence on the second and third topic of the collective agreement lays in meeting the state’s request for dealing with the refugee crisis through the Danish Model. LO and DA came to the tripartite negotiation prepared with an agreement on the IGU. The creation of the IGU reflects several of the LO and DA’s preferences. The IGU would secure the refugees a collective agreement based salary, while also aiming to grant the refugees an education that gives them valuable skills and competences qualifying them for a wide range of jobs. These elements are both important for LO and DA because it focuses on some the core aspects of the Danish Model, which is both the security of orderly wage and labour conditions in a competitive perspective as well as creating a more qualified recruitment basis for the employers which enable them to recruit qualified labour increasing the competitiveness of their companies.

LO and DA takes responsibility for the development of the Danish Model by forming a strong collaboration on the issue of refugees, thus showing that *“the Danish Model is full of life”* (LO, 2016). By doing so, LO and DA show their willingness to take on their share of responsibility for integrating refugees into the Danish labour market. This can be seen as a strategic move from DA and LO’s part, because it is within the preferences of both these actors to strengthen the Danish Model as well as legitimize their own positions while increasing their political influence. DA and LO’s willingness to take responsibility would only be implemented if there was political support for the IGU (Ilsøe & Larsen, 2016:441). The Danish Model is rooted in mutual support from the three actors, and thus DA and LO had taken the states preferences into account when creating the IGU. Having invited DA and LO to the tripartite negotiations and they had a prepared solution proposal, it was in the interest of the state to back up this proposal. There are several reasons why it was in the interest of the government to support the IGU solution proposal. As described previously in this section, the state is interested in having a well-functioning labour market that can contribute to growth as well as financing the welfare state, they can share the responsibility of the politics and the state can benefit from the resources, knowledge and implementation capacity of LO and DA. Furthermore the state was under political pressure after a non-successful attempt to tackle the refugee crisis. The government saw the IGU proposal from LO and DA as tool to increase the functioning of the labour market because it was focusing on developing qualifications as well as introducing a lower salary for the refugees participating in an IGU. As mentioned before, there had already been talks about creating a legislative based lower minimum wage, but in the IGU it would be a trainee wage which would be equivalent to an existing model. Thus the state was interested in this lower salary, and in the IGU it was within the framework of the Danish Model acceptable for DA and LO because it would correlate with already existing schemes and follow the tradition of collective agreement based wages. For the state there are a lot of positive benefits from a successful integration of refugees, and as described in section 1, ordinary employment is a key element in gaining financial independence, and thus providing refugees with the proper education through the IGU to become independent is very desirable for the state. This would both be very beneficial for the individual refugee who gains ordinary occupation, but the state would also reduce the increasing amount of money being spend on the increasing number of refugees who will eventually end up on long-term public benefits. Thus securing the integration of refugees into the Danish labour market it would also generate more resources to be used in other parts of the welfare state, so that the state can please the

citizens and the voters. Furthermore DA and LO came with a prepared model which obliges DA and LO to take their part of the responsibility for the effectiveness of the collective agreement. This also causes DA and LO to invest more resources into securing the success of their actions, which is in the interest of the state because it enables the state to benefit from their experiences and their desire for a successful implementation.

The IGU is still a new instrument, and like other new labour market instruments it takes time to implement. The latest numbers from SIRI (SIRI 2017) shows that the number of IGU-courses created are increasing, and shows that the tripartite work of the state, LO and DA leads to actual changes in the labour market. The concrete positive results of the IGU is an

The number of registered IGU-courses



evidence for the effectiveness of the Danish Model, because it shows that the agreements made in the tripartite negotiations also manifests themselves in actual changes. These latest figures show that the outcome of the tripartite negotiations contributes to solving the states problems related to the lack of refugees gaining access to the Danish labour market. The results of the first part of the tripartite negotiations have shown to be effectful, the negotiation have proceeded and the tripartite have reach an agreement concerning the basic education of young people and their chances to gain a traineeship during their education. The parties are also getting ready to negotiate on the issues related to the third part of the collective agreement, which is the further training and education for adults. Here the parties have created an expert committee on the subject, which has the task of creating the foundation for the negotiation. The three subjects of the tripartite negotiations are not exclusively the issues for respectively the state, LO and DA. These issues are broad societal issues that need to be solved. Therefore the tripartite negotiations have shown how a broadening of the scope of regular tripartite negotiations have contributed to dealing with a range of core societal challenges, which would have been difficult, if not dealt with within the

framework of the Danish Model and tripartite collaboration. Thus the tripartite have shown their ability and willingness to collaborate and create solutions on issues, that are not only affecting their own narrow preferences, but also create solutions that benefit on a societal level.

Conclusion

In the following section there will be a presentation of the answer to the problem formulation “*why have the Danish Model been used as an instrument to cope with the refugee crisis in Denmark*” based on the findings in this thesis.

From this thesis, it is evident that the Danish Model is being used as an instrument to cope with the refugee crisis in Denmark because it combines the central actors in the tripartite agreement and produces positive and measurable results, which is evident in the rise of registered IGU courses. Thus the 2016 tripartite agreement targeted refugees has shown the effect of collaboration and compromises. By providing positive results, LO and DA have shown their ability and willingness to assume responsibility of societal issues which is not originally within their scope of interest. Thereby the contribute to both employees and employers is taking an active responsibility for integrating refugees into the individual companies. This support can't be secured through only legal regulations, which can be seen in the unsuccessful labour market integration of refugees up until 2016, thus the tripartite agreement contributes to a more effective implementation.

The tangible effect of the Danish Model is one of the key aspects to why the Danish Model has been able to evolve and adapt through more than a century. Furthermore, the outcome of the development and adaptability of the Danish Model has yet again shown that it is beneficial for all the actors, despite differences in preferences. Thus the Danish Model is a key element in developing the Danish labour market, in order to deal with the ever-changing challenges that it faces.

Based on this thesis, the theoretical approach has proven beneficial in conducting an in-depth analysis of the historical development of the Danish Model, as well as examining the preferences and incentives behind the actions of the tripartite actors. The complimentary nature of these two theoretical approached has enabled a more comprehensible analysis in this thesis and thus producing a more thorough answer to the research question.

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Appendix:

This appendix has been the basis of an internal conferences in the regional labour market council of northern Denmark and thus isn't available to the public.

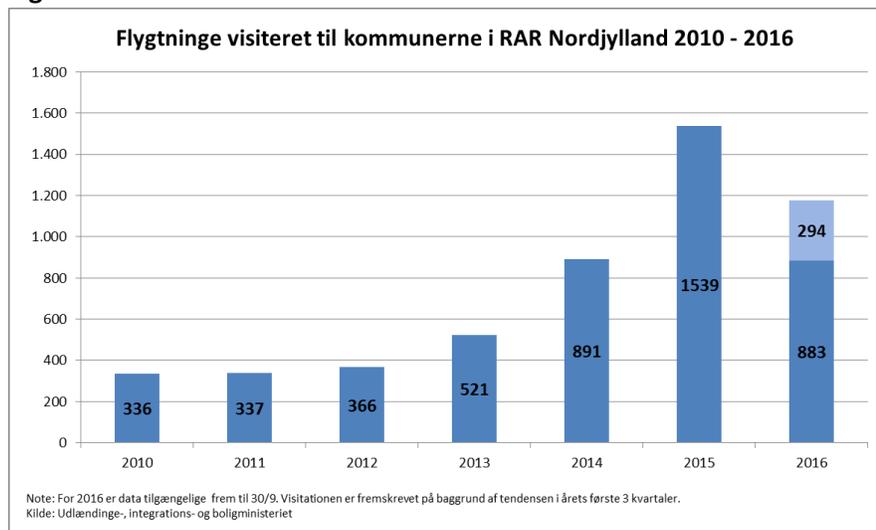
RAR Nordjylland, Januar 2017

Flygtninge og integration

Flere flygtninge og familiesammenførte i Nordjylland

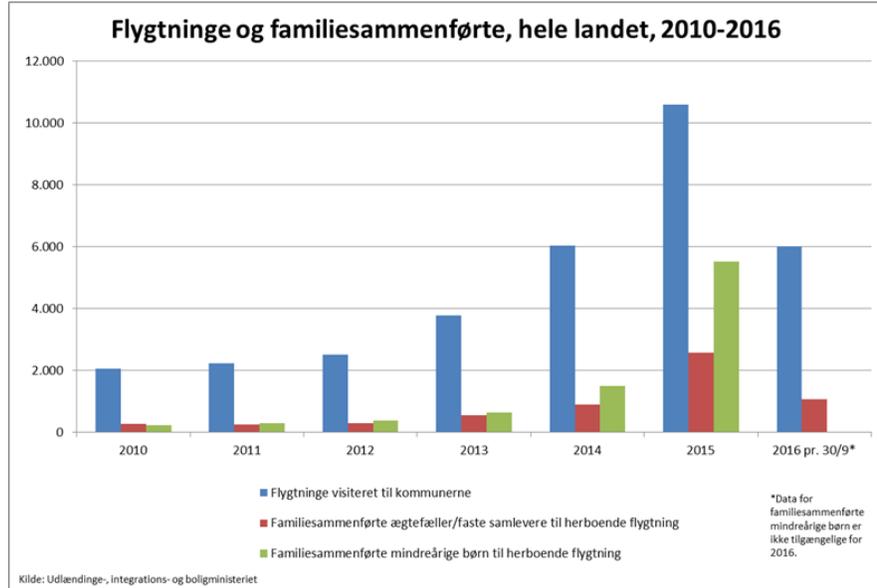
I de senere år er der ankommet flere flygtninge til Danmark, ligesom også antallet af familiesammenførte er steget. Nedenstående figur 1 viser antallet af flygtninge visiteret til kommunerne i RAR Nordjylland i perioden 2010 til 2016. Som det fremgår steg antallet af visitationer frem mod 2015, mens antallet er faldet i 2016.

Figur 1



Antallet af familiesammenførte kan ikke fordeles på kommuner, men figur 2 giver en indikation af forholdet mellem antallet af flygtninge og familiesammenførte til herboende flygtninge.

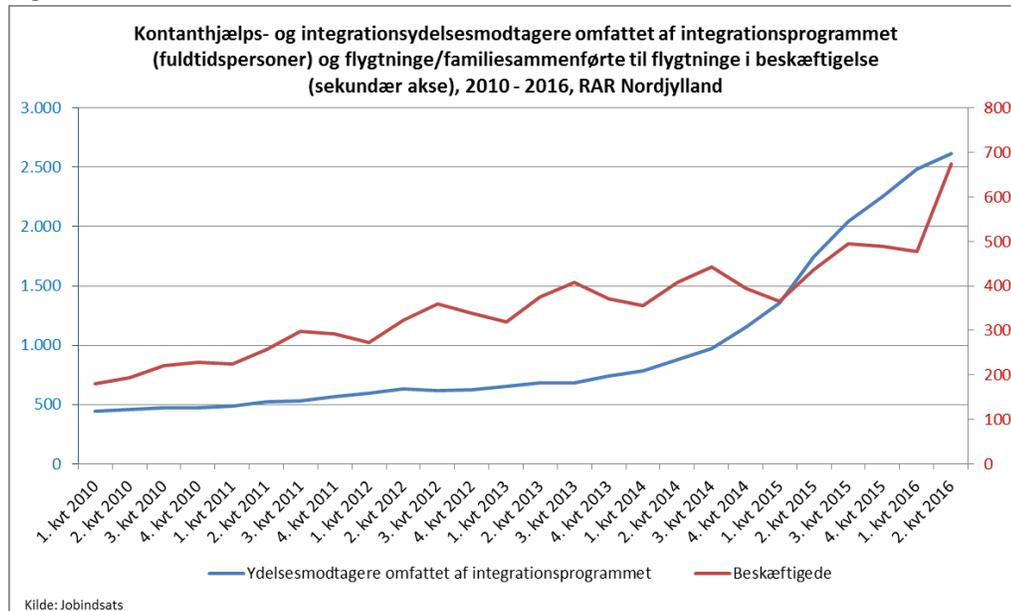
Figur 2



Som det fremgår af figur 2 er antallet af familiesammenførte til herboende flygtninge også steget de senere år. I hele perioden 2010-2016 er 33.256 flygtninge visiteret til danske kommuner. I samme periode har der været 5.950 familiesammenføringer af ægtefælle/fast samlever til herboende flygtninge og 8.534 familiesammenføringer af mindreårige børn (eksklusiv 2016).

Den øgede tilgang af flygtninge og familiesammenførte til flygtninge kan aflæses både i antallet af ydelsesmodtagere omfattet af integrationsprogrammet og i antallet af flygtninge/familiesammenførte til flygtninge, som er i beskæftigelse. Dette fremgår af figur 3.

Figur 3

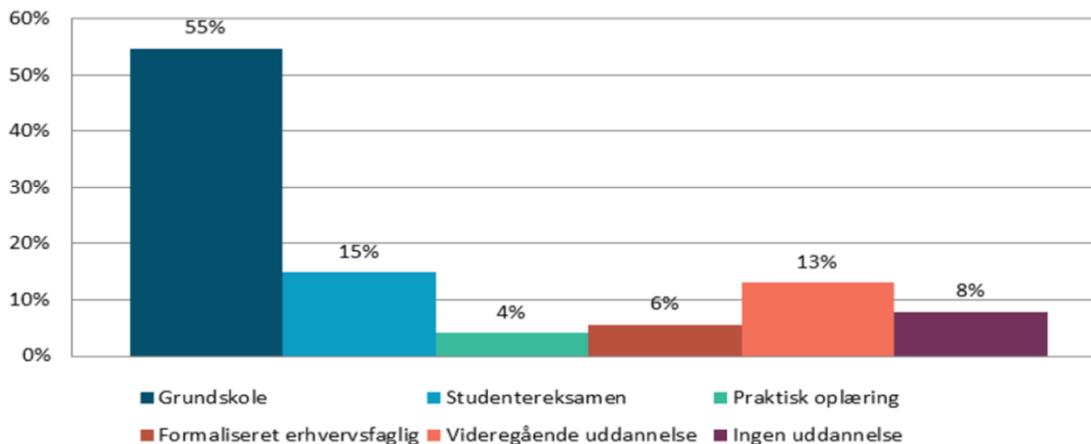


Udfordring og potentiale

For de nordjyske kommuner, som i de senere år har taget imod flere flygtninge og familiesammenførte, er der både tale om nye udfordringer og nye muligheder, når de nytilkomne skal integreres på arbejdsmarkedet.

Udfordringerne består blandt andet i, at de flygtninge, der ankommer til kommunerne, har begrænsede danskundskaber og *generelt* er mindre uddannede end den danske befolkning som sådan. Der findes ikke præcise opgørelser af flygtnings uddannelsesniveau, men en nylig undersøgelse baseret på besvarelser fra godt 1.000 flygtninge giver en indikation.

Figur 4. Nyankomne flygtnings højeste fuldførte uddannelse, pct.

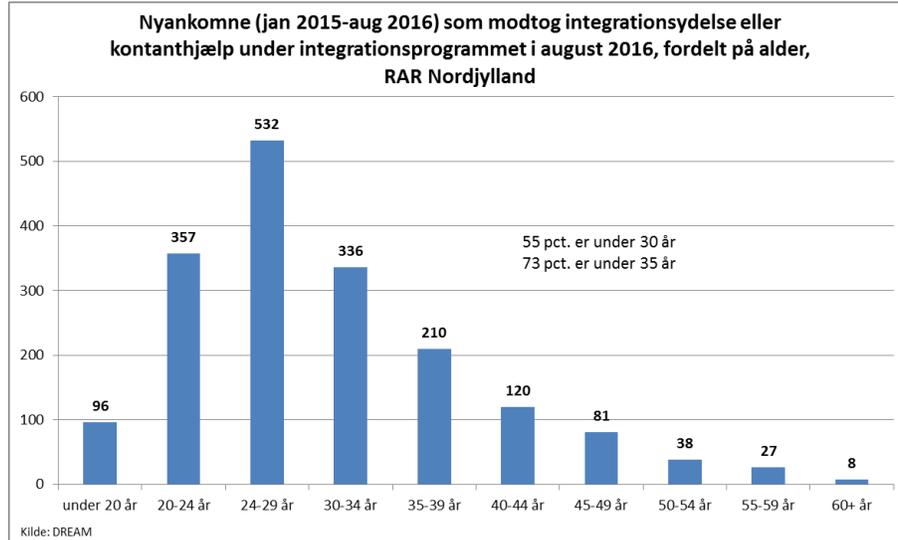


Note: Figuren er baseret på besvarelser om 1.036 flygtninge.

Kilde: Udlændinge-, Integrations- og Boligministeriets og Rambøll Managements undersøgelse af flygtnings kompetencer.

I tillæg til ovenstående er det også forventeligt, at flygtninge, på grund af den særlige situation de befinder sig i, kan have andre udfordringer, som kan vanskeliggøre integrationen på arbejdsmarkedet.

Disse udfordringer til trods er det vigtigt også at bevare fokus på det store potentiale der ligger i en vellykket integration af flygtninge og familiesammenførte på det nordjyske arbejdsmarked. RAR Nordjylland er, som det øvrige Danmark og en række andre europæiske lande, stillet overfor den udfordring, at der i en årrække er blevet relativt færre borgere i den erhvervsaktive alder. Der er i de senere år vedtaget politiske reformer, som modvirker denne udvikling, men tilgangen af flygtninge og familiesammenførte er i sig selv et væsentligt bidrag til at løfte denne udfordring.

Figur 5

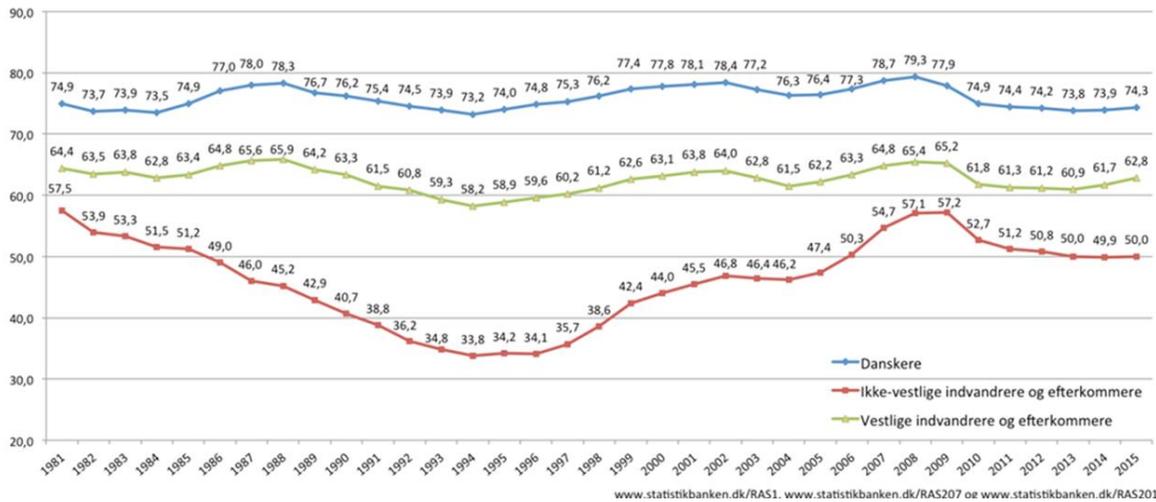
Som det fremgår af figur 5, er mere end halvdelen af de nyankomne under 30 år, mens cirka $\frac{3}{4}$ er under 35 år. Der er således et betydeligt potentiale i indsatsen for at integrere disse borgere på det nordjyske arbejdsmarked.

Erfaringer med arbejdsmarkedsintegration af flygtninge og indvandrere

Med den relativt store tilgang af flygtninge til de danske kommuner de seneste år er disse borgeres integration på arbejdsmarkedet blevet en meget aktuell udfordring. Det er imidlertid ikke en unik situation. Danmark har tidligere taget imod større grupper af flygtninge inden for relativt kort tid. Et blik på tidligere tiders erfaringer med arbejdsmarkedsintegration, kan derfor være interessant i denne sammenhæng.

Figur 6 viser udviklingen i beskæftigelsesfrekvenser for tre grupper af borgere inddelt efter etnisk oprindelse – hhv. dansk; vestlig inklusiv efterkommere og ikke-vestlig inklusiv efterkommere. Beskæftigelsesfrekvensen angiver den del af gruppen, som er i beskæftigelse, og er dermed lidt lavere end erhvervsfrekvensen, som er den del af en gruppe, der indgår i arbejdsstyrken og både omfatter beskæftigede og ledige.

Figur 6. Beskæftigelsesfrekvenser blandt personer med dansk, vestlig og ikke-vestlig baggrund, 16-64 år, 1981-2014, pct.



Den røde linje, som viser udviklingen i beskæftigelsesfrekvensen for ikke-vestlige indvandrere og efterkommere, er særligt interessant i forhold til den aktuelle udfordring med arbejdsmarkedsintegration af nyankomne flygtninge.

I 1981 er 57,5 pct. af ikke-vestlige indvandrere og efterkommere i beskæftigelse. 1981 er det første år, der er tilgængelige data for, men det kan formodes, at beskæftigelsesfrekvensen tidligere var endnu højere for denne gruppe. Dette skyldes, at de borgere der kom til Danmark – navnlig i 1960'erne – flyttede hertil, fordi deres arbejdskraft var efterspurgt. For hovedpartens vedkommende var der således ikke tale om flygtninge. Dette ændrede sig imidlertid i slutningen af 1970'erne og navnlig i 1980'erne og fremefter, hvor stadig flere af dem der kom hertil var flygtninge. De kom imidlertid til et land uden politisk opmærksomhed omkring- eller væsentlige erfaringer med at integrere disse nye borgere på arbejdsmarkedet. Effekten heraf ses på udviklingen i beskæftigelsesfrekvensen, som falder til et lavpunkt på 33,8 pct i 1994.

Fra første halvdel af 1990'erne øges det politiske fokus, og der indhentes erfaringer med forskellige tiltag på området. Effekten heraf kan tydeligt aflæses i figuren, idet der er en 13-årig periode fra 1996 til 2009, hvor beskæftigelsesfrekvensen for ikke-vestlige indvandrere og efterkommere stiger uafbrudt fra 34,2 pct. til 57,2 pct – en stigning på 23 procentpoint. I samme periode stiger beskæftigelsesfrekvensen for gruppen med dansk oprindelse med 3,1 procentpoint.

Tabel 1 viser, som supplement til ovenstående, at den stigende beskæftigelsesfrekvens er bredt funderet, idet den stiger for alle de 10 største grupper af ikke-vestlige indvandrere og efterkommere, ligesom den for alle grupper stiger for begge køn.

Tabel 1. Udvikling i beskæftigelsesfrekvens, 2001-2008, for borgere med oprindelse i de 10 største ikke-vestlige indvanderlande, fordelt på køn, hele landet.

Beskæftigelses- frekvens 2001-2008	I alt (% point)	Kvinder (% point)	Mænd (% point)
1. Somalia	+ 25.4	+ 21.6	+ 28.3
2. Irak	+ 19.9	+ 19.0	+ 21.5
3. Bosnien-Hercegovin	+ 14.5	+ 18.6	+ 10.7
4. Libanon	+ 12.2	+ 12.6	+ 12.3
5. Vietnam	+ 11.7	+ 13.9	+ 10.0
6. Tyrkiet	+ 9.9	+ 12.2	+ 8.0
7. Iran	+ 9.6	+ 14.6	+ 6.8
8. Kina	+ 8.3	+ 12.5	+ 3.3
9. Pakistan	+ 7.7	+ 8.7	+ 7.6
10. Jugoslavien (ex.)	+ 4.3	+ 5.4	+ 3.6

Kilder: Ministeriet for flygtninge, indvandrere og integration (2010); Danmarks Statistik (2009)

I årene efter den økonomiske krise er beskæftigelsesfrekvensen faldet for alle grupper uanset etnisk oprindelse. Beskæftigelsesfrekvensen er dog faldet mest for ikke-vestlige indvandrere og efterkommere, der dog stadig har en beskæftigelsesfrekvens, som er markant højere end i midt 1990'erne.

Årsagerne til at beskæftigelsesfrekvensen er faldet mere for ikke-vestlige indvandrere og efterkommere er flere. Blandt andet er krisen gået hårdest ud over grupper, hvor ikke-vestlige indvandrere og efterkommere er overrepræsenteret – herunder unge og ufaglærte.

Væsentligt er det endvidere, at der i årene efter krisen er kommet relativt mange flygtninge med kort opholdstid, og i årene efter krisen er gruppen af ikke-vestlige indvandrere og efterkommere i alderen 16-64 år vokset med 26 pct., mens der er blevet 3 pct. færre etniske danskere i samme aldersgruppe. I faktiske tal er beskæftigelsen for ikke-vestlige indvandrere og efterkommere således også steget i perioden 2009-2015, idet godt 14.000 flere er i beskæftigelse svarende til en stigning på godt 10 pct. I samme periode er beskæftigelsen for etniske danskere faldet med godt 180.000 svarende til et fald på godt 7 pct.

Uddannelse

Et væsentligt forhold, som kan supplere ovenstående, er ikke-vestlige indvandrere og efterkommeres uddannelsesniveau, da dette har væsentlig betydning for beskæftigelsesgraden. Dette gælder for alle grupper uanset etnisk oprindelse, men det slår tydeligere igennem for ikke-vestlige indvandrere og efterkommere.

Tabel 2. Beskæftigelsesgab med og uden uddannelse

25-64-år 1. januar 2008	Beskæftigelses- frekvens for danskere (%)	Beskæftigelses- frekvens for ikke- vestlige indvandrere og efterkommere (%)	Gab (% point)
Uden dansk kompetencegiven- de uddannelse	66.9	51.2	+ 15.7
Med dansk kompetencegiven- de uddannelse	86.8	82.8	+ 4.0
Alle 25-64-årige	80.8	56.5	+ 24.3

Kilde: www.udlbasebase.statistikbank.dk/IMUDD24

Som det fremgår af tabel 2, der bygger på data fra 2008, var knap 67 pct. af danskerne uden kompetencegivende uddannelse i beskæftigelse, mens det kun gjaldt godt 51 pct. af ikke-vestlige indvandrere og efterkommere. Følgelig er der et beskæftigelsesgab mellem grupperne på 15,7 procentpoint.

De tilsvarende grupper *med* en kompetencegivende uddannelse har en væsentligt højere beskæftigelsesfrekvens – hhv. 86,8 pct. for etniske danskere og 82,8 pct. for ikke-vestlige indvandrere og efterkommere. Samtidig er det bemærkelsesværdigt, at beskæftigelsesgabets størrelse kun er 4 procentpoint for gruppen med en kompetencegivende uddannelse.

Uddannelsesniveaut – og udviklingen heri – blandt ikke-vestlige indvandrere og efterkommere er derfor et interessant parameter som supplement til beskæftigelsesudviklingen. I de følgende tabeller 3, 4 og 5 gives en indikation heraf.

Tabel 3. Uddannelsesfrekvens 16-19 årige

	Skoleåret 1995/1996 (%)	Skoleåret 2011/2012 (%)	Vækst (% point)
Kvinder			
Danskere	76	82	+ 6
Efterkommere	74	83	+ 9
Indvandrere	50	79	+ 29
Mænd			
Danskere	78	83	+ 5
Efterkommere	70	79	+ 9
Indvandrere	53	78	+ 25

Kilder: Ministeriet for flygtninge, indvandrere og integration (2009); Social- og integrationsministeriet (2012)

Tabel 4. Uddannelsesfrekvens 20-24 årige

	Skoleåret 1995/1996 (%)	Skoleåret 2011/2012 (%)	Vækst (% point)
Kvinder			
Danskere	36	56	+ 20
Efterkommere	30	55	+ 25
Indvandrere	9	47	+ 38
Mænd			
Danskere	34	48	+ 14
Efterkommere	34	45	+ 11
Indvandrere	16	39	+ 23

Kilder: Ministeriet for flygtninge, indvandrere og integration (2009); Social- og integrationsministeriet (2012)

Tabel 5. Uddannelsesfrekvens 20-24 år – videregående uddannelser

	Skoleåret 1995/1996 (%)	Skoleåret 2011/2012 (%)	Vækst (% point)
Kvinder			
Danskere	22	41	+ 19
Efterkommere	15	42	+ 27
Indvandrere	4	31	+ 27
Mænd			
Danskere	17	27	+ 10
Efterkommere	17	27	+ 10
Indvandrere	7	21	+ 14

Kilder: Ministeriet for flygtninge, indvandrere og integration (2009); Social- og integrationsministeriet (2012)

De tre ovenstående tabeller sammenligner uddannelsesfrekvensen for forskellige alders- og uddannelsesgrupper fordelt på herkomst. Det fremgår af tabellerne, at indvandrere, og i mindre grad efterkommere, i skoleåret 1995/96 havde en væsentligt lavere uddannelsesfrekvens end etniske danskere. I perioden 1995/96-2011/12 er uddannelsesfrekvensen steget for alle grupper, men stigningen har været markant større for indvandrere og efterkommere, og i skoleåret 2011/12 er forskellene grupperne imellem inden for relativt få procentpoint.

Arbejdsmarkedsintegration og den nye IGU

Antallet af flygtninge, som visiteres til kommunerne, har været stigende frem mod 2015, og integrationen på arbejdsmarkedet af de nye borgere opleves af mange kommuner som en betydelig udfordring. Det er naturligt, og som fremhævet tidligere er fokus på opgaven og en målrettet indsats også væsentlige forudsætninger for en vellykket arbejdsmarkedsintegration.

Sammenlignet med situationen i starten af 1990'erne, hvor der ligeledes var en betydelig stigning i antallet af flygtninge, er der i dag et solidt erfaringsgrundlag, som kan kvalificere kommunernes indsats. Der er således 3 forhold, som, blandt andre, har vist sig at være af væsentlig betydning for flygtnings muligheder for tilknytning til arbejdsmarkedet:

1. Flere studier viser, at virksomhedsrettede indsatser har signifikant effekt i forhold til beskæftigelse, og at effekten er større i forhold til særlige målgrupper – herunder flygtninge.
2. Manglende kendskab til det danske sprog er en væsentlig barriere for flygtninge i forhold til at opnå beskæftigelse. Sprogkunderskaber kan erhverves gennem skoleundervisning, men tilknytning til en arbejdsplads er også særdeles befordrende for tilegnelsen af sprogkunderskaber.
3. En af årsagerne til den lavere beskæftigelsesgrad blandt indvandrere – herunder flygtninge – er en lavere uddannelsesgrad, og uddannelse er befordrende for beskæftigelse blandt flygtninge som for befolkningen i øvrigt.

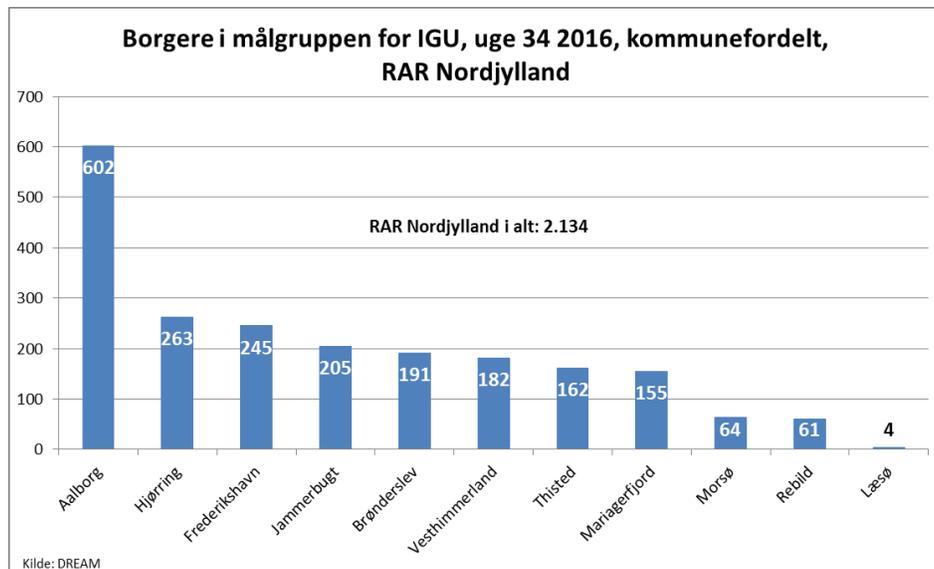
Arbejdsmarkedsintegration af flygtninge kan antage mange former, og flere forskellige tilgange udfoldes med succes. Et væsentligt redskab er dog den nye integrationsgrunduddannelse (IGU), som kombinerer det virksomhedsrettede med skoleundervisning, og som potentielt kan danne grundlag for at fortsætte i uddannelsessystemet. Der er således en tydelig kobling til de 3 ovenfor nævnte forhold, der er befordrende for arbejdsmarkedsintegration. Som afrunding på dette afsnit om flygtninge, vil der følgelig blive præsenteret data, som belyser målgruppen for IGU i RAR Nordjylland.

Borgere i målgruppen for IGU

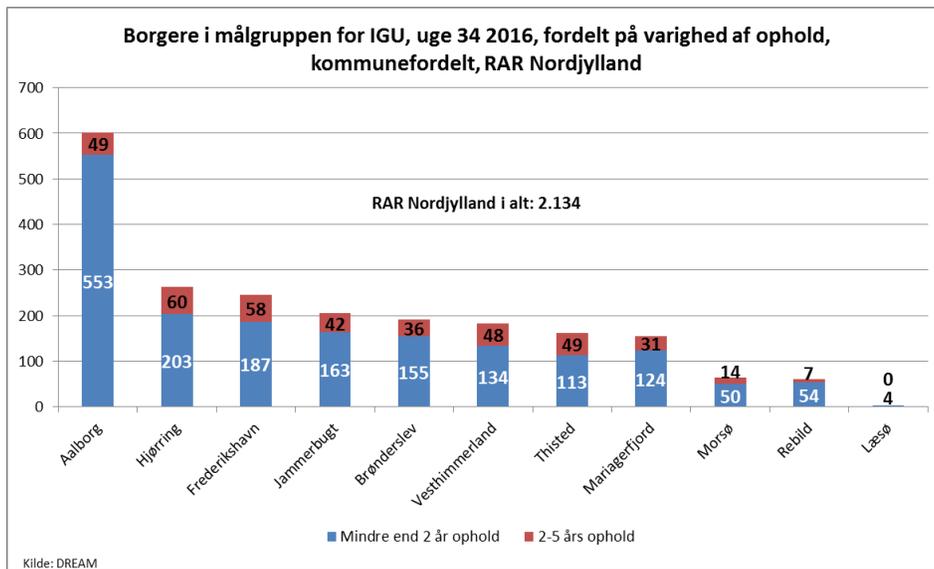
Den nye integrationsgrunduddannelse (IGU) er en mulighed for flygtninge mellem 18 og 40 år, som har været i Danmark i op til 5 år. I det følgende præsenteres data for IGU-målgruppen ud fra to forskellige datakilder – hhv. beskæftigelsesministeriets DREAM-register og Jobindsats. Førstnævnte er velegnede til at give et præcist billede af målgruppen på et givet tidspunkt, mens data fra Jobindsats er velegnede til at illustrere en udvikling i målgruppen.

I de to følgende figurer er alle borgere, som modtog integrationsydelse eller kontanthjælp under integrationsprogrammet i uge 34 2016, trukket ud. Dernæst er gruppen afgrænset til at omfatte personer i alderen 18-40 år, som har opholdt sig i Danmark i højst 5 år. Endelig er borgere med dansk oprindelse sorteret fra.

Figur 7



Figur 8

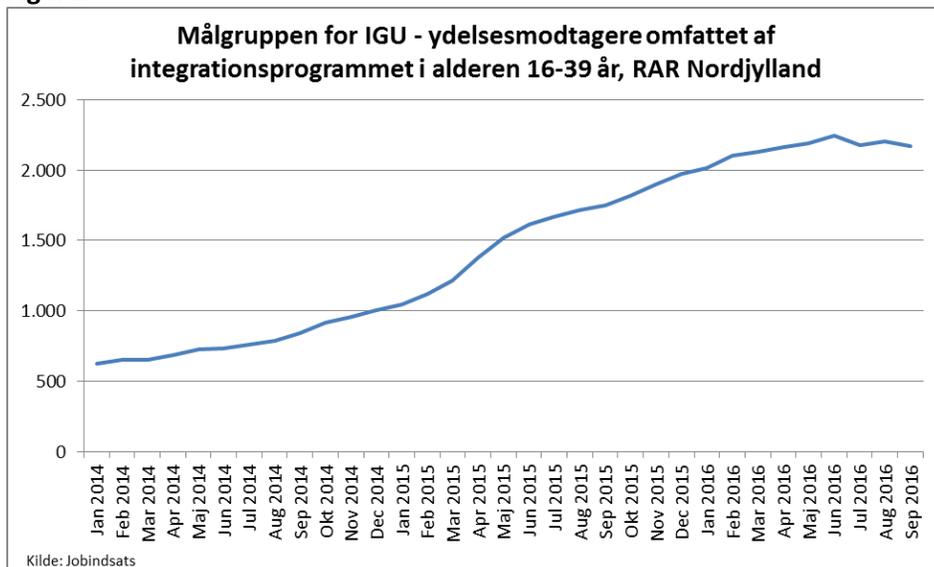


Datakilden, som er anvendt til de forrige figurer, er beskæftigelsesministeriets DREAM-register, som gør det muligt at få et præcist billede af målgruppen på et givet tidspunkt. Nedenstående figur viser *udviklingen* i målgruppen på baggrund af data fra Jobindsats.

Disse data er ikke helt så præcise. Dette skyldes, at aldersafgrænsningen, som er mulig at lave i Jobindsats, er 16-39 år og dermed ikke identisk med målgruppen for IGU. Endvidere er det ikke muligt at frasortere borgere, der har opholdt sig i Danmark i mere end 5 år og borgere med dansk oprindelse. For begge grupper gælder det dog, at der er tale om ganske få personer.

Således er totalen for RAR Nordjylland i uge 34 (august måned) ifølge DREAM 2.134 personer, mens totalen for august måned ifølge Jobindsats er 2.203 i august måned.

Figur 9



Som det fremgår af figuren, steg antallet af borgere i målgruppen for IGU fra godt 600 i januar 2014 til cirka 2.200 i maj 2016, hvorefter antallet har været stabilt omkring 2.200. Der er således indikationer på, at der er balance mellem tilgang til- og afgang fra målgruppen, hvorfor antallet er stagnerende om end på et relativt højt niveau.