



**Cities for Active Inclusion**

## **The Quality of Social Services in Cities: Copenhagen**

**EUROCITIES NETWORK  
OF LOCAL AUTHORITY  
OBSERVATORIES ON  
ACTIVE INCLUSION**

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### **EUROCITIES-NLAO**

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The EUROCIITIES Network of Local Authority Observatories on Active Inclusion (EUROCITIES-NLAO) is a dynamic network of ten European cities - Barcelona, Birmingham, Bologna, Brno, Copenhagen, Cracow, Lille Métropole - Roubaix, Rotterdam, Sofia and Stockholm - each with a Local Authority Observatory (LAO) within its administration. Their aim is to share information, promote mutual learning and carry out research on the implementation of the active inclusion strategies at the local level.

The ten observatories are coordinated by EUROCIITIES, the network of major cities in Europe, and supported through Inclusive Cities for Europe, a partnership between the European Commission (DG Employment, Social Affairs and Inclusion) and EUROCIITIES.

EUROCITIES-NLAO website: [www.eurocities-nlao.eu](http://www.eurocities-nlao.eu)

# 1. The delivery of social services at city level

## 1.1 Introduction

The Danish welfare system is quite well-developed, providing many services to those in need. Because of this, the main focus of this report will be slanted towards labour market participation.

## 1.2 Copenhagen: an overview

The city of Copenhagen, located on the island of Zealand, is the capital of Denmark as well as its largest city. Copenhagen has a population of just over 500,000 inhabitants, with around 284,000 people in the labour force (aged 16-66). The participation rate<sup>1</sup> is 73% and is about the same for males and females. There is a high concentration of immigrants and their descendants in the city: they account for more than 20% of the population, and 17% of the labour force.

The unemployment level is quite low in a European context. In 2009, 19,000 people were unemployed, giving a rate of 6.6%<sup>2</sup>. In the first half of 2010, unemployment was somewhat higher than this but is still below 8%.

The unemployment rate is higher among three particular groups: immigrants and their descendants, newly graduated workers (aged 20-29), and low-skilled workers. (Figure 1 in Annex 2 shows some of the trends in unemployment.)

Not included in the total unemployment figures are the 12,000 recipients<sup>3</sup> of welfare benefits who are deemed temporarily unfit for work, or the 17,000 people that have been granted early retirement from the labour market for whatever reason.

Estimates suggest that as many as 30,000 persons<sup>4</sup> nationwide have lost their job as a result of the economic crisis but are not entitled to welfare benefits because of their relatively positive financial situation. As a result, they are not included in the unemployment statistics (see Annex 1.1).

Some 3,000 recipients of welfare benefits in Copenhagen have been diagnosed with additional problems besides unemployment. These include homelessness, substance abuse, illness, or other issues that lead to a case file in the Social Services Administration (see Annex 1.2 for a list of services offered by the Social Services Administration and its target groups).

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<sup>1</sup> The participation rate is the share of people in the labour force to the total population, and is a measure of labour force participation.

<sup>2</sup> Register based unemployment. See annex 1 for a brief description of the method and how it compares with the European standards.

<sup>3</sup> A quarter of this group is deemed unfit to participate in any active efforts to include them in the labour market.

<sup>4</sup> The Economic Council of the Labour Movement: AE-rådet 3.

### 1.3 The Danish welfare model

The Danish welfare model is built on a system of rights and obligations, and of equal opportunities. Everybody is obliged to support themselves and their family, and if a person cannot do this, the right to public assistance provides support. Equal opportunities on the other hand guarantee that a low income will not exclude anybody from receiving basic services. Both of these principles are rooted in the law and can be found in almost all social service provisions in Denmark. The principles as such are almost universally accepted by politicians and the public, although a debate on this matter has started in recent years.

As a consequence of these two guiding principles of rights and obligations on the one hand, and of equal opportunities on the other, many services are offered free to the service users. These include:

- All forms of education from primary school through to university<sup>5</sup>;
- Most forms of healthcare<sup>6</sup>;
- Aid and care for older people, people who are sick and disabled people living in their own homes.

Other services are offered with a varying degree of funding, including:

- Childcare<sup>7</sup>;
- Dental care;
- Use of public retirement homes;
- Social housing.

The demand for these part-funded services tends to be based on individual preferences and characteristics: not everyone needs the same amount or type of service. For example, the demand for childcare is restricted to people with children; and dental care is needed more by people with poor dental hygiene.

Even though many services are provided as part of the Danish welfare model, the central pillar of our welfare model is considered to be the labour market. There are two reasons for this. Firstly, the funds paid out to unemployed people constitute a large part of the public budget, whatever level of government is liable for the payments. Payments to the unemployed are higher in Denmark than in most other countries, and in addition, people without unemployment insurance can also qualify for benefits when they are unemployed. Membership of one of Denmark's independent unemployment insurance agencies (a-kasser) currently guarantees an income of up to €2150 a month gross for two years.

Most administrative aspects of unemployment benefit are handled by the insurance agencies, but a large part of the cost is financed by the national government. The uninsured unemployed are never actually guaranteed an income. If their financial wealth is low enough (under €1,350), and they do not own property or a car, they are entitled to receive welfare benefits. The welfare benefit is graduated according to need and varies between €410 and €1,750 a month gross. The maximum amount is usually reserved for single parents and others with dependents. The welfare benefit is financed by the

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<sup>5</sup> Further, education is subsidised, with persons over the age of 18 receiving a small income-dependent subsidy per month.

<sup>6</sup> For instance: care at hospitals, use of the emergency room, both general- and more specialised physicians and optomologists amongst others.

<sup>7</sup> Childcare is a means tested service, where poorer families pay less than others. The government also supports families with children through a small grant every 3 months.

municipalities and partially reimbursed by the state and other municipalities, through various reimbursement schemes.

Other benefits are also available to the unemployed. Some services are means tested, with people with the lowest incomes receiving either a discount or free services. Childcare is a key area for this arrangement.

The other main reason why the labour market is central to the Danish welfare model is due to the financial requirements of the model. With so many services being offered, including the two types of payments to the unemployed, there is a need for government to levy taxes. As might be expected, this taxation requirement is somewhat higher than in most non-Scandinavian countries, and income tax is a major source of finance for the model.

This analysis of the labour market shows that unemployment has serious consequences for the stability of the Danish welfare model, as an unemployed person is a double negative for the system. Not only are fewer taxes collected from the unemployed, but there are also expenditures associated with unemployment in the form of payments. On top of that, unemployment, especially longer spells of unemployment, can lead to an erosion of skills that further diminishes the chance of employment, which leads to a vicious circle. Unemployment also has personal implications. These include social stigmas, loss of identity, as well as financial implications that might affect personal lives, marriages, etc. All this has been recognised by the Danish government ever since the welfare state was established.

For these reasons the government allocates significant resources to trying to move unemployed people back onto the labour market. This is done to save money in the longer run, but also because self sufficiency is seen as a way of creating a more cohesive society.

Traditionally the Danish labour market model is referred to as **flexicurity**. This name refers to two main aspects of the system:

- **Flexibility:** The Danish labour market is governed by law to be very flexible, meaning it is easy for firms, both public and private, to hire and fire workers. The advantage of this is that firms are more willing to hire additional help when demand requires, as it just as easy to cut back on labour at a later time when fewer workers are required;
- **Security:** The Danish welfare model offers security to unemployed people. As well as providing high levels of benefits, the model allows unemployed to participate in active employment programs<sup>8</sup>. This is both a right and an obligation. The unemployed have the right to participate in these activation programs, but are also obliged to use them, as unemployment benefits are directly tied to participation in these programmes.

In the last decade, an ongoing debate has focused on the relationship between the amount of taxes levied and the services being offered. This has led to a lowering of the tax rates but also a reduction in services. Also, the incentive structure of the model has been investigated and improved.

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<sup>8</sup> This includes: on the job training, education programmes, counselling and more.

These developments can be directly seen in two laws to amend the welfare benefit system:

- In 2002, welfare benefit was reduced for people with less than seven years of residence in Denmark within the last eight years;
- In 2003, the welfare benefit was also reduced for people living together as a couple and both receiving benefit.

Both these laws reduced costs while at the same time increasing the incentive for people to get a job.

The disadvantage is that both laws affect groups that are usually far from the labour market, with immigrants being hit the hardest, as they tend to be found in both target groups. Many people believe that these two laws have had little or no effect on the employment rates of those targeted by the laws, and that there has only been an increase in poverty from this<sup>9</sup>.

The most recent development is that in summer 2010 the length of time that a person can receive unemployment benefits from unemployment insurance has been reduced from four years to two years. Some organisations<sup>10</sup> believe this will lead to further increases in poverty.

The unions also see these developments as a threat to the Danish flexicurity model: they do not believe that two years of unemployment benefit is enough to guarantee security for unemployed people. The unions have therefore demanded an increase in payments, so that although people will be only paid for two years, they will get more money each week. So far, this demand has not been met.

#### 1.4 Social services in Copenhagen

Most of the welfare services in Denmark are provided by the municipalities. However, where other factors such as economies of scale are important, services are provided by the state or the regions. Examples of this include hospitals, as well as most forms of secondary and all forms of tertiary education.

The City of Copenhagen delivers services to its citizens through seven specialised administrations: The Employment and Integration Administration (EIA), The Social Services Administration (SSA), The Health and Care Administration (HCA), The Children and Youth Administration (CYA), The Culture and Leisure Administration and the Finance Administration (FA). The majority of welfare services used by the citizens are provided by the EIA, SSA, HCA and CYA (see Annex 1.2 for more details on the services offered).

The core of the Danish welfare system supports the active inclusion strategy<sup>11</sup>. However, there are still problems with people who remain furthest from the labour market, despite the systems in place to actively include them. Studies show<sup>12</sup>, that there is a problem with the patterns of demand and utilisation of services. The children of welfare benefit claimants are more likely to end up on welfare benefit themselves. In addition, many of the free public services on offer are used less by these groups, even though their

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<sup>9</sup> See for example: The Economic Council of the Labour Movement: AE-rådet 1, see annex 1

<sup>10</sup> The Economic Council of Labour Movement: AE-rådet 2 see annex 1

<sup>11</sup> The 2008 European Recommendation on Active Inclusion was used as the point of reference to define the European Strategy on Active Inclusion: [www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008H0867:EN:NOT](http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008H0867:EN:NOT).

<sup>12</sup> National Research Centre for the Working Environment: Det nationale forskningscenter for arbejdsmiljø .

need for these services might be greater. This is especially evident in the use of health care services and the education system.

### **1.5 Recent trends in the delivery of social services**

The two most important trends in the provision of social services in Denmark over the last five years or so are decentralisation and increased outsourcing.

Decentralisation started in 2007 when structural changes were made to Danish local government. The counties were abolished and their jurisdictions were transferred mainly to the municipalities. Also, some responsibilities previously held by the state were also transferred to the municipalities (e.g. administration of active labour market programme participation for the insured unemployed). But it was not a complete transfer of responsibilities. Instead, central government imposed strict regulations on the services now being offered by the municipalities, through legislation. This allows the government to control the service provision to a certain degree without actually having responsibility for the provision.

The active employment policy is an example of this. Before 2007, responsibility for insured unemployed people rested solely on the national government, whereas the uninsured unemployed have always been the responsibility of the municipalities.

Both aspects are now based in the municipalities, under the guidance and supervision of two government agencies. This is reinforced by a strict reimbursement programme. This imposes financial consequences if the municipalities fail to enrol job seekers in active employment programmes within the mandatory timeframe. With tight budgets in most municipalities and the poor state of the economy in general, it is hard for the municipalities to supply unemployed job seekers with quality active employment services.

Another trend has been the outsourcing of services. This is both a result of numerous EU directives as well as the policy of the Danish government. For the municipalities it has meant an increased set of government regulations and legislation, designed to require them to outsource services. For example, as part of the active employment legislation, the municipalities are now required to outsource all the active employment services for unemployed graduates to private subcontractors.

Before October 2010 it was widely believed that the trend towards decentralisation and outsourcing would continue into the future unless there was a change in the national political landscape. But the media got involved and heavily criticised the reimbursement procedures in the government's active employment policy. As a result, the Ministry of Employment has changed the system, so that reimbursements focus more on encouraging the municipalities to find on-the-job training schemes for job seekers, rather than just training courses.

## 2. Quality in social services

### 2.1 Measuring the quality of services

In Denmark, the quality of service provision is usually based on central government legislation in two ways:

- The legislation provides a set of rules and regulations describing exactly how, to whom, and why the service is to be offered;
- The legislation offers statistical variables for measuring some aspects of the service provision: if the statistical results comply with a target set by the government, the service is seen as good quality.

If a statistical target is used as the measure of good quality, rules and regulations will usually still describe how to provide the service, whereas the opposite does not necessarily hold.

The municipalities are mandated to supply services and to ensure the quality of services in whatever way they see fit. As the municipalities in different areas use different frameworks, the level of freedom for the municipalities in how they provide services varies. If the government believes that a municipality is violating its mandate by not supplying a good service, whether it is a single occurrence or a more widespread problem, this usually leads to more rules and regulations aimed at improving the service.

An example from Copenhagen's active employment programme illustrates this. When a citizen registers and applies for unemployment or welfare benefits, the law requires the municipality to interview the citizen within one to four weeks, depending on the age and insurance status of the citizen. The quality of this service is measured as the percentage of interviews held within this timescale, the required target being 70% to 90%, depending on insurance status as well as how close to the labour market the job seekers are.

Whatever measure of quality used, it must be objective, and it must be verifiable by a higher authority in case it needs to be checked, for example, if a citizen feels they have not received an adequate service. However, this is both the biggest strength and the biggest weakness of this type of system: it does not allow for any leeway, even in the instances where this could be justified. Also, the timely delivery of a service is not necessarily equal to a good quality service: the actual service offered may be poor quality.

After a longer spell of unemployment, a citizen is required to participate in an active employment program. The offer to participate has to be made before a certain deadline. The deadlines are determined in legislation and dependent on certain criteria, including age and insurance status. However, again, this does not guarantee quality. The media has reported that some job seekers are being offered courses on such skills as how to make models out of marshmallows and straws, or on how to determine what kind of bird a person is. But active employment programmes such as these are hardly consistent with quality services, even if offered on time. Other stories in the media have focused on unemployed citizens being sent to the same course multiple times. This is another aspect that is not consistent with quality.

A reason why courses such as these are being offered can be traced back to the financial constraints on the municipalities. The requirement to supply all unemployed people with an active employment programme is a serious strain on their budgets. Thus cheaper courses have to be used instead of more costly ones, even though the quality is not

always up to standard. Again, this relates to the problem of giving municipalities financial incentives to achieve particular targets.

## **2.2 Cross-administration taskforces**

Analysis of the statistical data available across Copenhagen is has revealed that a large proportion of the most vulnerable groups of people do not use the services offered to them, even though they are free of any direct charges. As a consequence of this, in 2007, Copenhagen's Employment and Integration Administration and the Social Services Administration started working more closely together, by setting up a taskforce to help citizens with case files in both administrations. This inter-administrative partnership was required because the 2007 reform of local government requires the employment and social administrations to be two different administrations.

The target groups for the cross-administration partnership are uninsured unemployed people with mental health problems, disabilities or addictions. Estimates suggest that there are approximately 2,600 citizens in this target group.

This collaboration involves employment activation efforts by the employment and integration administration, supported by counselling, treatment and other forms of social help provided by the social services administration. Both administrations have the same goal of getting their clients back into the labour market with a job; and both administrations have an obligation to share any relevant information regarding these shared clients. This is especially important in terms of the services offered by the employment administration. As welfare benefit is both a right and an obligation, if a client fails to meet their obligations, the consequences can be the loss of rights to the service, in other words a cut in benefit payments. In most cases this problem arises when clients fail to attend the required counselling sessions or employment interviews. If this happens the social services administration is informed and helps the citizen regain their right to benefits, through conversations with the client and the employment and integration administration, and other support if needed.

As a result of this joint effort the ratio of shared clients either able to participate, or actually participating in, active employment programmes has risen from 19% to c. 30%, though down from c. 50% earlier in the partnership.

## **2.3 A new strategy for cross-administration cooperation**

Due to the positive results achieved by this cross-administration cooperation, Copenhagen Municipality has decided to consider including the health and care administration in a new cross administration taskforce. This would allow three welfare-related administrations to work together, to help unemployed people with health services, as well as employment services and social services.

The new strategy for extending the taskforce to include health and care was prompted by research that shows a clear connection between health related issues and unemployment.

If the strategy is put into practice, cooperation between Copenhagen's employment and integration administration, the social services administration, and the health and care



administration will focus on improving the health and employment situation for unemployed citizens. There will be a special emphasis on two particular groups: unemployed people who are furthest from the labour market; and those people who are employed but who suffer from health related issues that might lead to unemployment.

Improving the health and employment prospects of these two groups of people could be accomplished through close cooperation and a clearer understanding of the role of the other administrations. Building on the experience of previous projects, the administrations have now developed and consolidated a thorough understanding of how to collaborate successfully. This means that in Copenhagen there is now a good basis for providing vulnerable people, including those who are healthy and those with health issues, with a complete set of integrated services.

The new strategy for collaboration between the three administrations involves broad, common objectives for the services provided, together with 15 new initiatives. The common theme is to improve the health of the most vulnerable citizens. This would allow them to either retain their job or get a new job.

The new strategy is based on two research reports on the health of unemployed people and of those who receive welfare benefits related to health issues, such as sickness benefit.

The two reports<sup>13</sup> outline the level of physical, psychiatric and somatic disorders (where reported physical symptoms appear to have no cause), among recipients of regular welfare benefits, and health-related welfare benefits. The following key points emerge from the findings:

- There is a higher likelihood of mental and physical health-related issues among welfare benefit recipients than among the population as a whole;
- People who receive welfare benefits and who also receive services from the social services administration are more likely to have a mental disorder than those who just receive benefits, but they are less likely to use the healthcare services;
- A high proportion of those people receiving benefits who have a mental disorder are young people;
- People living in at-risk urban areas who receive welfare benefits and who also have a mental disorder are less likely to have applied for psychiatric care than those living in other neighbourhoods. This may be because at-risk neighbourhoods have a higher proportion of refugees. They may be suffering from post traumatic stress syndrome but they may be reluctant to seek help for this;
- The higher likelihood of health related issues amongst welfare recipients may mean that welfare recipients find it more difficult to maintain a healthy lifestyle than employed people, giving a higher risk of developing chronic lifestyle-related problems.

Another objective of the new collaboration strategy is to better understand the effectiveness of a coordinated effort to provide services to people with health issues and to other vulnerable citizens. Only through a better understanding of what works, and for whom, can we further develop our efforts. The strategy contains a number of new initiatives that will be tested and evaluated over the coming years in order to decide whether to continue the collaboration initiative long-term. There will be a close monitoring of the strategy's efforts and goals to provide a clear indication of exactly what works for different target groups.

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<sup>13</sup> Copenhagen Municipal 1+2.

## 3. The main challenges

### 3.1 Incentives versus equal opportunities

A classic discussion in welfare payment studies relates to the choice between incentives or equal opportunities in the provision of benefits and services. It is mainly a political discussion with each political wing primarily adhering to one view. Giving people incentives can change their behaviour in the desired manor. However, most incentive structures are deliver a stick rather than a carrot: they have negative consequences if a person is not able to change their behaviour in the desired way. It tends to be the most vulnerable groups who are not able to meet the requirements, and who are therefore further excluded, as they have to suffer the consequences in the form of a reduction of benefit payments.

In contrast, giving everybody an equal opportunity in the form of a universal service tends to have little to no effect in terms of changing behaviour, but has the advantage of not excluding anybody further.

So the question remains: what is the best way of providing people with the incentives they need to encourage them back into employment, without risking the further exclusion of the most vulnerable.

### 3.2 The limitations of statistics

Even though there are some inherent advantages to using statistics to measure the quality of services, there are also disadvantages, especially for the most vulnerable groups. The problem arises from the fact that most of the statistics used are based on a single yes/no question to measure the results of a service or an initiative (e.g. 'did the person get a job after receiving service X', or 'did a person get well following initiative Y').

For people in the most vulnerable groups in particular, the actual result of an initiative may not be seen for a long time, or an initiative may have a positive effect on them but this may be more limited than that posed by the research question.

These factors tend to mean that programmes and services achieve lower scores than they should. But this does not necessarily mean that the measure in question has no positive effect. It just means that the effect is not big enough to show up in the results.

The obvious solution would be to try and measure much smaller levels of progress. But nobody has yet found a method to objectively measure this type of progression<sup>14</sup>. A consequence is that if it is impossible to verify what works in getting people closer to the labour market, it is hard to justify new active employment initiatives.

A further complication is that different groups of people may require different types of initiatives to progress towards the labour market. A recent report by the Danish Institute of Governmental Research (Anvendt Kommunal Forskning - AKF)<sup>15</sup> found that

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<sup>14</sup> The Danish unemployment system tries to differentiate between groups using a system with 3 different categories ranging from "ready to work" through "ready for training" to "temporary inactive". But it is not possible to distinguish within categories, even though there can be a big difference between people in the same category.

<sup>15</sup> Anvendt Kommunal Forskning, Lars Skipper.

participation in active employment programmes had no effect for the most vulnerable groups. However, the Ministry of Employment has commented that the report does not take into consideration the motivational effects that the employment programmes have on some unemployed people: in some cases these programmes prompt them to find a job or stop receiving welfare benefits instead of having to participate in a programme.

For the most vulnerable groups, the motivational effect, if it does exist, is probably causing people to stop applying for welfare benefits, as jobs are hard to come by. As can be seen in Annex 2: figure 2, the number of people furthest from the labour market (i.e. unfit for work due to problems besides unemployment) has been somewhat constant since the start of the economic crisis in the summer of 2008. This is especially true with the unemployed deemed unfit for active inclusion on the labour market. This result somewhat suggests that the active employment programmes only have limited effects on this group.

### **3.3 Intergovernmental practices**

Through its cross-administration collaboration initiatives, Copenhagen has already started to alleviate some of the problems of two or more administrations providing welfare services to the same citizens.

However, rules and regulations passed at national level and concerning one of the local administrations might pose problems for another administration. For example, the legislation revoking the right to welfare benefit for citizens who fail to fulfil their obligations is directed towards the employment and integration administration, but this may have consequences for the services offered by the social services administration. So cross-administration collaboration is not necessarily straightforward.

Another problem is that clients may feel they are being passed from one administration to another, with no-one really taking responsibility for them. This may be a problem both in terms of clients having to deal with different municipal administrations, as well as clients having to deal with different national, regional and municipal regulations.

### **3.4 Financial problems**

In most municipalities in Denmark, financial constraints are causing significant problems. In Copenhagen this has already caused some redundancies in the municipal sector. These redundancies have mainly in the back office administrative functions, and most of the frontline service provision is unaffected. Nevertheless, any reduction in staff has the potential to reduce the quality of services being offered.

### **3.5 Regulatory problems**

It is a challenge for most municipalities to operate within the context of heavy regulations. Rules and regulations do not always take into account the heterogeneity of the population. For example, in Copenhagen, there are large numbers of highly skilled unemployed people. They are required to attend active employment programmes, even though most studies show that they would get another job more quickly by searching for a job themselves, because for most highly skilled people labour market imbalance is only

temporary. Copenhagen has applied to the Ministry of Employment for an exemption to this general rule, so that highly skilled job seekers can avoid attending employment activation programmes. The process of applying for this exemption has been complex, and Copenhagen is currently still waiting for a decision.

## 4. Good lessons

### 4.1 Active employment guide and online tool

Copenhagen's employment and integration administration is responsible for enrolling people who are unemployed, or on sick leave, in active employment programmes. In 2008, a guide was developed to make it easier for case workers and their clients to find, choose and agree on an appropriate programme. As part of the guide, the various different activation programmes and courses were sorted into six different categories, each targeted to specific groups, for example: people on sick leave; people in need of motivation; people ready for on the job training schemes. This saves time by allowing the case worker and the unemployed person to limit their search to only one category of programmes.

To further support case workers, an online flow chart tool was also developed. Case workers use this in helping each client to check which benefits and services they are eligible for. Each click of the mouse button displays the current legislation and services relating to the client at that point in time, as well as the various requirements. This online tool is compatible with other computerised systems used by the employment and integration administration, and it also allows official paperwork to be filled in on screen, either completely or partially.

The final part of the online tool is a statistics module. This allows case workers and clients to see an indication of the past results of the employment activation programmes, in terms of their average effect on the employment status of previous participants, and also how satisfied people have been with a particular programme. The statistics module helps steer clients towards programmes with a proven success rate.

This online system meets the requirements for achieving a quality service (as discussed in section 2.1): it is objective, and the quality is verifiable by a higher authority. The online tool allows case workers to treat all clients in the same category equally, as well as ensuring the legality of the process.

### 4.2 On-the-job training scheme

In autumn 2009, the city of Copenhagen launched an improved on-the-job training scheme for job seekers, at its municipal offices. This was the result of new legislation that requires more use of such training schemes, as well as the need to find ways of addressing the rise in unemployment caused by the economic crisis.

This new training scheme has increased the number of work experience places available across all seven municipal administrations from 400 a year to 1,800 a year. Each administration was given a quota of training scheme places to fill, and the applicants apply through services run by the employment and integration administration. Most administrations have been able to fill their entire quota. However, on completion of the training scheme, few of the trainees have received a real job, mainly due to the economic crisis.

## **5. Future plans for improving quality in social services**

### **5.1 Continued cooperation**

The cooperation between Copenhagen's employment and integration administration and its social services administration has been successful in supplying citizens with more cohesive services. The new strategy of extending this to include the health and care has not yet been implemented. A pilot phase will test whether collaboration between all three administrations can be effective, and if this is successful, then this collaborative approach is almost certain to continue.

In future, other administrations providing services in Copenhagen that could benefit from joint collaboration, will find it easier to arrange: both in terms of getting permission from the directors, and in terms of how best to work with other teams. There are now established and effective ways of making sure each administration understands the other's services and work styles and any other factors that help collaboration.

### **5.2 Denmark 2020: knowledge, growth, prosperity and welfare**

Denmark 2020: Knowledge, Growth, Prosperity and Welfare is a plan developed by the Danish government to increase the overall welfare of citizens in Denmark by 2020. The plan includes:

- Less bureaucracy in the delivery of services to citizens;
- Better use of information technology to improve services;
- Less money spent on administration and more on the delivery of services;
- Increased competition via outsourcing, to achieve lower costs and/or better services;
- Reform Copenhagen's local government structure from multiple welfare administrations to a single welfare;
- remove the cumbersome processes that citizens sometimes have to go through when contacting the municipalities.

# ANNEX 1. References

## 1.1. How unemployment rates are measured

In most European countries unemployment rates are calculated using results from a national statistical survey. In Denmark this method is also being used to measure unemployment. But it is not the preferred method by most. Instead national registers are used by Statistics Denmark and a branch of the Ministry of Employment to calculate and report on unemployment. These registers contain information on all recipients of welfare benefits and unemployment benefits. Recipients of these benefits, deemed available for work by the local municipalities, are then classified as unemployed.

The main difference between the register approach and the survey approach for Denmark is caused by some people not receiving either benefit and not having a job. In the register approach these people are not labeled as unemployed even if they are active on the labour market, whereas the survey method would label them as unemployed.

On the other hand, the survey approach uses a subjective criterion to determine labor market readiness (“can you take a work within the next 2 weeks?”), whereas the register approach is somewhat more objective (the Employment and Integration administration determines this).

Another advantage of the register approach is that it is published more often and faster than the survey approach. In Denmark the unemployment figures are published once a month with a lag off approximately 2 months whereas the survey approach is only done quarterly to limit the statistical variance of the results.

Another difference is that the survey method is a standard variable, measuring the unemployment in a point in time for each individual in the survey, whereas the register approach is a flow variable, counting all who have been unemployed in the latest month, even if only for a single day between jobs. Because of this, the norm is to publish the unemployment figures as the number of full-time unemployed, with every person contributing to this figure with the share of days spent unemployed (i.e. a person unemployed for 7 days during the last month of 21 workdays would contribute as 0.33 fulltime unemployed persons).

In Copenhagen the most commonly used statistic is the gross unemployment rate. It differs from the net unemployment rate in that it includes participants in active employment programs.

## 1.2. Services offered by the City of Copenhagen

### The Employment and Integration Administration

Group	Services
Uninsured Unemployed	Screening to see if unemployed person is entitled to payments, payment of welfare benefits. Interviews and counselling. Active employment offers through private subcontractors.
Insured Unemployed	Interviews and counselling. Active employment offered through private subcontractors.
Persons on sick leave	Interviews and counselling. Payment of sick leave benefit.
Immigrants	Projects to support better integration.

### The Social Services Administration

Group	Services
Homeless	Operation of shelters, counselling
Disabled	Financial support, support to next of kin (aflastning), provision of aids, transportation (f)
Addicts	Operation of rehab centres (alcohol and drugs)
Mentally ill	Supported housing, daytime activity centres, support for next of kin (aflastning).
Acute crisis victims	Temporary homes for women threatened or beaten by spouses, help to get out of prostitution, counselling in regards to acute problems, pro-bono lawyers (m)
Senior citizens	Home aid, delivery of meals (f)
Persons without a place to live	Provision of loans (m), council housing, supported housing

### The Health and Care Administration

Group	Services
Healthcare	General physicians, specialised physicians, ophthalmologists, dentists (f)
Rehab physical injuries	Training and rehabilitation
Support to the dying	Operation of hospices, support to next of kin, financial support to next of kin caring for a dying person or for burial (m)
Care	Operation of retirement homes (m)



## The Children and Youth Administration

Group	Services
Childcare	Daycare centres (m), private daycare persons (m), kindergarten (m), after school care services for ages 5-15.
Schooling	grade schooling for ages 0-10

Note: (m) denotes a means-tested benefit or expense; (f): denotes financing required by the user.

### 1.3. Publications

**The Economic Council of the Labour Movement - AE rådet 1:** Voksende fattigdom deler Danmark - yderkanter og hovedstaden hårdest ramt, April 29. 2010.

**The Economic Council of the Labour Movement - AE rådet 2:** 370.000 danskere uden mulighed for dagpenge eller kontanthjælp.

**The Economic Council of the Labour Movement - AE rådet 3:** Arbejdsløsheden er undervurderet - VKO strammer for tidligt, May 26. 2010.

**Danish Institute of Governmental Research - Anvendt Kommunal Forskning: Lars Skipper:** En Mikroøkonomisk evaluering af den active beskæftigelsesindsats, 2010.

**Copenhagen Municipal 1:** Analyse af BIF-SUF-SOF borgere, December 2009.

**Copenhagen Municipal 2:** Analyse af BIF-SOF borgere, September 2009.

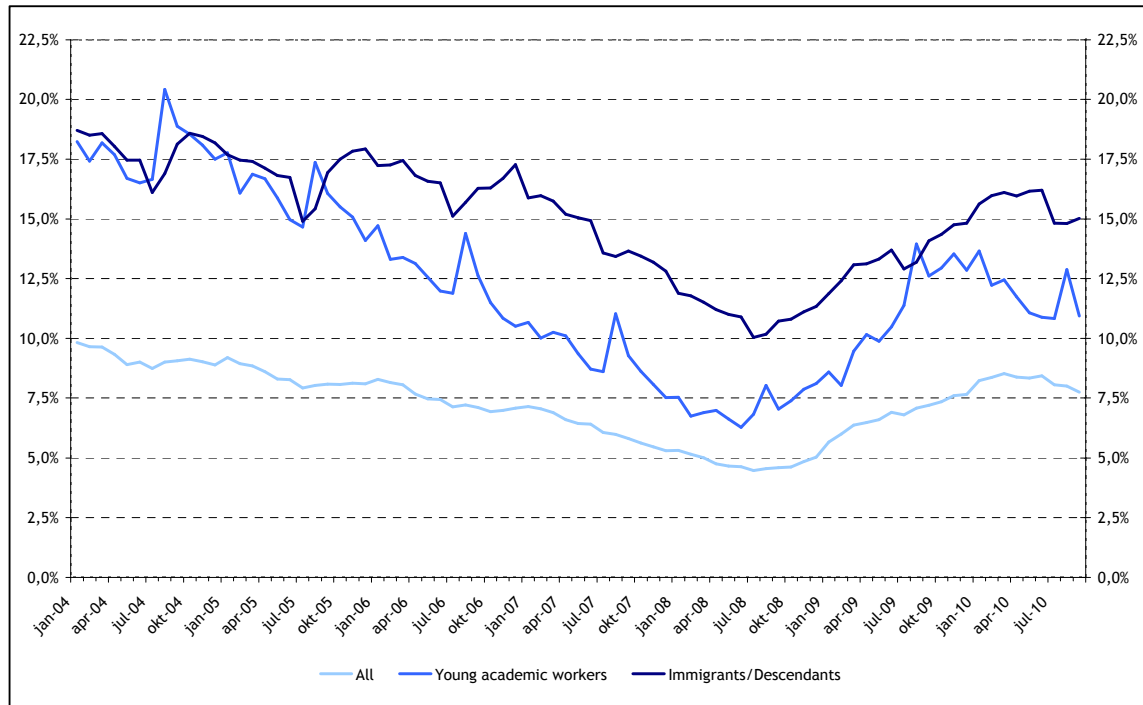
**Denmark 2020 (in Danish):**

[http://stm.dk/publikationer/arbprog\\_10/Danmark%202020\\_viden\\_vaekst\\_velstand\\_velfaerd\\_web.pdf](http://stm.dk/publikationer/arbprog_10/Danmark%202020_viden_vaekst_velstand_velfaerd_web.pdf).

**National Research Centre for the Working Environment - Det nationale forskningscenter for arbejdsmiljø:** Hvidbog om mentalt helbred, sygefravær og tilbagevenden til arbejdsmarkedet, 2010.

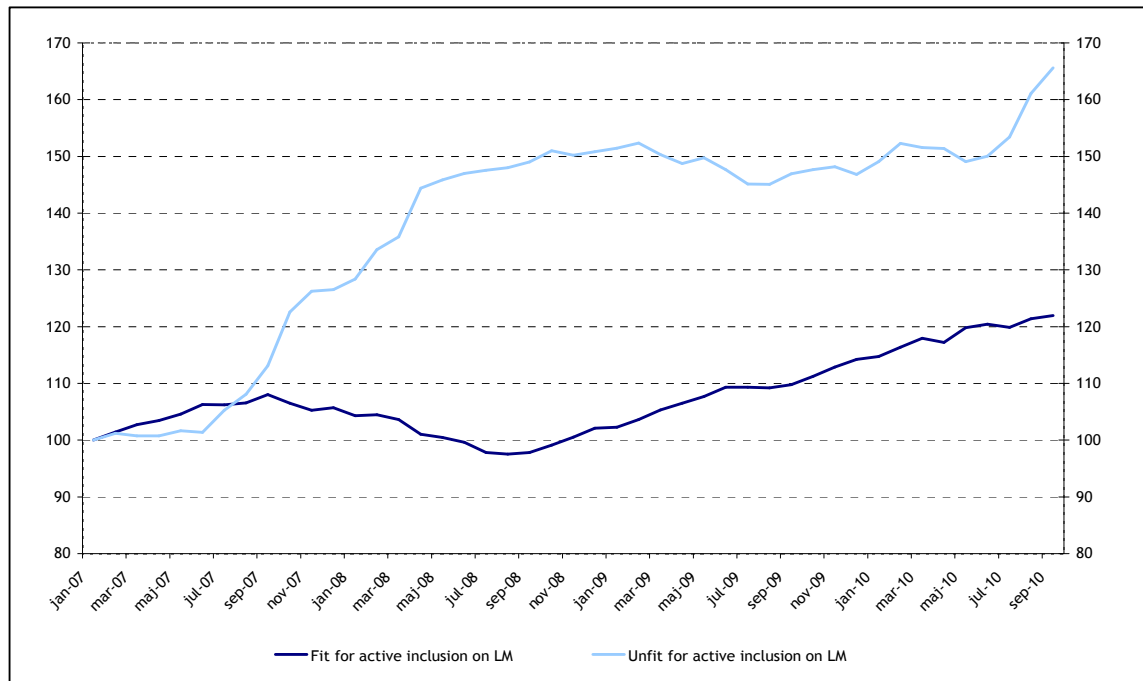
## ANNEX 2. Data sets

Figure 1: Gross unemployment rates in Copenhagen: all people of working age; young newly graduated workers (aged 20-29); immigrants and descendants: January 2004 - September 2010



Source: Statistics Denmark and [www.jobindsats.dk](http://www.jobindsats.dk)

Figure 2: Trends in unemployed people deemed fit and unfit for employment activation programmes: Copenhagen: Jan 2007 - Sept 2010 (indexed: January 2007 = 100)



Source: [www.Jobindsats.dk](http://www.Jobindsats.dk)



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