



Aalborg



Aarhus



Copenhagen



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Randers

TOWARDS THE FUTURE



## TACKLING THE PROBLEM OF YOUTH UNEMPLOYMENT IN DENMARK

The active inclusion of young people in Denmark:  
a proposal from Denmark's six largest cities





## Cities for Active Inclusion

This paper is the result of a collaboration between the cities of Aalborg, Aarhus, Copenhagen, Esbjerg, Odense and Randers. It was inspired by EURO CITIES Cities for Active Inclusion, who provided for the translation into English. The opinions expressed in this publication do not necessarily reflect those of EURO CITIES.



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For more information see: <http://ec.europa.eu/progress>.

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

# 1. INTRODUCTION TO THE PROBLEMS OF YOUTH UNEMPLOYMENT IN DENMARK

This proposal has been developed by Denmark's six largest cities: Aalborg, Aarhus, Copenhagen, Esbjerg, Odense and Randers. It outlines our views on the increasing problems of youth unemployment in Denmark and presents our proposals on how these problems can be addressed.

As elsewhere in Europe, youth unemployment is a growing problem in Denmark's major cities. Increasing numbers of young people are presenting themselves at job centres: not just young people who have grown up locally, but also young people who have relocated from other parts of Denmark and elsewhere, for example, to attend educational institutions. Since 2008, the number of unemployed young people in Denmark has increased by over 34,000, thus doubling the youth unemployment rate. Furthermore, many of these unemployed young people have completed their post-secondary education and have obtained qualifications that make them ready for permanent employment. They either hold a vocational qualification or a non-vocational secondary education qualification, or a tertiary education degree.

Unless serious action is taken, there is a real risk that we will witness a similar situation as in the 1980s. Many young people who were affected by the high youth unemployment rates and were unable to find work at that time, have never been able to enter the permanent labour market. As the social unrest in Madrid and London during 2011 suggests, when more than one in five young people are unemployed, this can lead to disaffection and social problems.

# 2. AN OVERVIEW OF OUR PROPOSED SOLUTIONS TO THE PROBLEMS OF YOUTH UNEMPLOYMENT IN DENMARK

In order for Denmark to meet its future skills needs, we need to make sure that our young people receive the post-secondary educational qualifications necessary for employment: i.e. either a vocational qualification or a non-vocational secondary education followed by a tertiary education qualification (see the annex for information on the stages in the Danish education system).

Forecasts by the Danish Economic Council of the Labour Movement<sup>1</sup> think-tank indicate that in 2020, the Danish labour market will need an additional 182,000 people with either vocational or tertiary qualifications. At the same time, Denmark will have a similar number of unemployed people with only a basic primary education or a non-vocational post-secondary education: these people will lack the qualifications to take up the 182,000 new jobs. To help unemployed young people achieve the qualifications needed to enter the labour market and thereby help fight youth unemployment, municipalities need to work in partnership with national legislators, and with secondary and tertiary education institutions, as well as with labour market stakeholders (trade unions and employers' associations).

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<sup>1</sup> Arbejderbevægelsens Erhvervsråd.

This is why we call on the new Danish government to engage with cities, educational institutions and labour market stakeholders to introduce educational and labour market reforms as soon as possible.

We have four core proposals:

- reform Denmark's secondary education system;
- provide opportunities for young people without qualifications: do not give up on them;
- support graduates in finding a job as soon as possible;
- think outside the box to integrate public services.

These four proposals are detailed in the four sections below (3.1 – 3.4).

## 3. OUR PROPOSALS IN DETAIL

### 3.1 Reform Denmark's secondary education system

#### 3.1.1 The problems

We fully support Denmark's national goal of ensuring that by 2015, 95% of young people complete their secondary education (either vocational or non-vocational). We fully support the initiatives already being taken to achieve this. For example, employer and employee organisations together with legislators have proposed many initiatives to increase the number of apprenticeships for vocational training over recent years. In addition, since 2009, the Danish parliament has passed many resolutions designed to lower youth unemployment and increase the number of young people in post-secondary education. Educational institutions are also playing their part, by helping to reduce the high number of drop outs. However, over the last ten years, despite these initiatives, the number of young people completing post-secondary education has been relatively constant at around 84%.

We therefore believe that more action is needed. We believe that the current educational policies and tools are not enough to meet the challenges posed by the actual global and local economic situations and that they do not take into account the complex problems now faced by young people. We propose a thorough reform of Denmark's secondary education system.

#### 3.1.2 Requested government action

We encourage the Danish government to reform the secondary vocational and non-vocational education system:

- **introduce new strategies for vocational education:** for example, vocational colleges should provide foundation courses to introduce students to a range of vocations before they choose their specialisation. As in the past, students should be taught in groups that remain stable over time and should have their own classroom to use as a base to help them feel more settled and get to know each other better. This should reduce the number of students dropping out;
- **improve career advice:** vocational colleges should guide students towards vocations that offer the best opportunities for apprenticeships and jobs, instead of focusing on courses that are popular, fashionable or prestigious. Career advice should aim to get more young people continuing in either vocational studies or

university education so as to reduce the number of young people lacking the relevant qualifications to enter the labour market;

- **maintain or reduce the duration of secondary education courses:** this would stop or reverse the recent trend of extending the length and academic level of the education, which can result in more young people dropping out;
- **create an active inclusion league table:** a league table should be introduced for secondary education institutions to encourage them to be pro-active in reducing drop-out rates and increasing the numbers of students who receive welfare or unemployment benefits, including students from families where neither parent has a second level qualification;
- **provide guaranteed apprenticeships for vocational students:** vocational students need apprenticeships in order to move from education to the labour market. However, it is often difficult to find these. This problem could be resolved through providing economic incentives, for example, to companies that meet a quota. The government should also explore tax exemptions (while keeping the overall corporate tax burden unchanged) as a possible incentive. In addition, it could be mandatory for public procurement contracts to include social clauses requiring organisations to provide a certain proportion of apprenticeships.

### 3.1.3 Requested action by educational institutions and labour market stakeholders

We encourage educational institutions and labour market stakeholders to:

- **create alternative pathways into vocational education:** a number of vocational colleges have already successfully established specific basic entry-level classes aimed at different target groups. These flexible pathways into vocational education should be continued and extended: for example, the voluntary Year 10 (at around 16 years of age) which prepares students for post-secondary education could also be offered at vocational institutions. In addition, preparatory adult education (numeracy and literacy skills)<sup>2</sup> could be introduced at the vocational institutions in partnership with the Adult Education Centres<sup>3</sup> ;
- **cooperate to ensure student retention:** educational institutions should cooperate with each other to guarantee that young people, once in education, should only exit it when they graduate. To facilitate this, educational institutions should ensure that if a young person leaves, they go into another school. All institutions should contribute resources and services to guarantee student retention and a professional transfer of responsibilities;
- **support each individual student:** educational institutions should increase their support to students by adapting the teaching to the individual student's social and academic abilities; this can be done, for example, by introducing multiple levels in classes and grouping students of a similar academic level together to make the learning process easier;
- **create more apprenticeships and jobs for young people:** employers should create more jobs and apprenticeships while employees should take responsibility for further training. Without reinforced support from employers and employee organisations, young people will not obtain the education and competences they need.

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<sup>2</sup> Forberedende Voksenundervisning.

<sup>3</sup> VUC, or Voksenuddannelsescenter.

## 3.2 Provide opportunities for young people without qualifications: do not give up on them

### 3.2.1 The problems

Too many young people drop out of the post-secondary education system and end up in job centres. This is a personal defeat for the individual as well as an economic burden for the municipality and the state. New research shows that one in five of those who drop out either do not know what career they would like to take up, or do not know what education they need for their chosen career. In addition, a study in Copenhagen shows, for instance, that approximately half of the young people on welfare benefits or unemployment benefits in the city do not have sufficient reading and writing skills to enrol at a post-secondary vocational education institution. Furthermore, 20% of unemployed young people have significant mental and/or social problems. Also, many young people who have a job actually have few, if any, qualifications: 15% of all 15-29 year old employees in Denmark do not have a qualification that defines them as being ready for permanent employment. In addition, 8% of all young people do not have a job, nor do they receive any financial benefits from the government and even worse, they are lacking the qualifications that make them ready for permanent employment. All these groups of young people are at risk of never permanently accessing the labour market.

The system therefore needs to be redesigned to give all young people the opportunity of a post-secondary education. This is the only way to maximise their labour market potential. However, sometimes a direct path to a qualification is not possible and additional support is needed. Therefore the services that provide motivation, direction and step-by-step guidance into education also need to be strengthened.

### 3.2.2 Requested government action

We encourage the Danish government to strengthen its support for young people's right to education and inclusion, and to provide additional opportunities for municipalities to motivate young unemployed people, by taking the following actions:

- **ensure an education plan and an access course for every young unemployed person:** young people have the right to adequate and free post-secondary education: this is paramount. The goal is to get more young people studying at post-secondary level and completing their education. This can be achieved by working before beginning the post-secondary education or attending courses that prepare the young person to return to secondary education; the municipalities should be supported in helping young people to formulate an education plan and to take the relevant foundation courses;
- **strengthen services to young people on benefits or family dependent, to move them into employment or education:** services to young people living off benefits or supported by their families should be strengthened so that these young people understand the advantages of moving into education or employment. Gaining a post-secondary education should be prioritised ahead of welfare dependency. The educational order<sup>4</sup> requiring young people under 25 who are on benefits to at least complete a vocational or non-vocational secondary education should be extended to include all those under the age of 30;
- **provide outreach counselling to young people living at home and/or dependent on their families:** to discourage young people from switching between the many forms of benefits and from being reliant on their families in the

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<sup>4</sup> Uddannelsespålæg in Danish. This requires that all young people under the age of 25 without a secondary education receiving social benefits should return to and complete their secondary education. The social benefits are paid until the person returns to school, whereon they receive a student grant instead.

long-term, municipalities should be incentivised to use outreach counselling and other measures to ensure that more young people use their right to education. Municipalities should introduce these young people to access courses that prepare them for post-secondary education;

- **bridge the gaps between different types of education and institutions:** to maximise the educational opportunities for unemployed young people, the gap between different institutions and courses should be bridged, so that the skills and qualifications young people need for permanent employment are available at a wider range of institutions: e.g. the courses taught at Denmark's production schools<sup>5</sup> should result in a qualification (rather than just preparing students for other educational institutions); foundation vocational courses<sup>6</sup> and basic adult courses<sup>7</sup> should be taught at the vocational institutions; a general introduction to vocational courses should be offered through the Adult Vocational Training Programme<sup>8</sup>; and educational institutions for young people should be allowed to establish more introductory courses that are eligible for a student grant.

### 3.2.3 Requested action by educational institutions and labour market stakeholders

We encourage educational institutions and labour market stakeholders to take the following actions:

- **develop partnerships and systems to advise young people with problems or who are uncertain about their future:** the vocational secondary education institutions need to establish systems and partnerships to help young people who are uncertain about their future as well as young people who have mental or social problems. For example, links could be established between the vocational institutions and the production schools as well as institutions offering adult education;
- **encourage more small and medium enterprises to sign apprenticeship contracts:** this could be achieved by introducing modular contracts, which are only binding for a part of an apprenticeship programme (which normally lasts up to three years). Groups of small and medium sized businesses in the same industry could work together to cover the full duration of the apprenticeship - this would help ensure enough apprenticeships are available for all young people studying for a vocational qualification and would overcome the current reluctance of small and medium sized companies to commit to a long-term apprenticeship contract which is binding for up to three years.

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<sup>5</sup> 'Produktionsskoler' target young people seeking clarification about their qualifications and strengths and are offered to young people not able to start other forms of education. The emphasis is on vocational practical training possibly coupled with basic school teaching (preparatory adult education).

<sup>6</sup> In Denmark this is called erhvervsgrunduddannelse. It is a two year vocational education, targeting young people not able to graduate on normal terms due to a lack of basic skills in reading, math etc., social skills etc.

<sup>7</sup> 'Forberedende voksenundervisning' are courses focusing on improving basic literacy and numeracy skills for adults.

<sup>8</sup> In Denmark these are called Arbejdsmarkedsuddannelserne (AMU); this is basic training for adults without labour market skills as well as retraining programmes for adults with vocational skills.

### 3.3 Support vocational graduates and university graduates to find work as soon as possible

#### 3.3.1 The problems

Approximately 20% of unemployed people in Denmark's six largest cities are graduates: either from a university or a vocational school. Across Denmark, the unemployment rate among these groups of graduates has doubled since summer 2008. In addition, 70% of the unemployed graduates in Denmark live in the six largest cities, so it is predominantly an urban problem. Based on experience, particularly of the 1980s, we know that after three to four months of unemployment, the severe consequences of being unemployed begin to show. The graduate's skills start to deteriorate as these are not being used and the person may develop personal and emotional problems. There is no reason to believe it will be different in today's difficult economic climate.

However, as mentioned earlier, by 2020, it is forecast that Denmark's economy will need approximately 182,000 additional employees with either a vocational or tertiary qualification in order to maintain high productivity and service levels in both the public and private sectors. That is why there is an urgent need to make sure that our vocational and university graduates can access the permanent labour market as soon as they are qualified.

#### 3.3.2 Requested government action

We encourage the Danish government to increase its focus on getting vocational and tertiary graduates into work by taking the following actions:

- **government investment in jobs for graduates:** to encourage small and medium sized companies to hire university graduates, the government should partially fund the cost of employing these graduates through a scheme similar to the 'knowledge' pilot project in 2003, where the government invested approximately €6.8m (DKK 51m) in creating up to 4,000 new jobs for university graduates in small and medium sized companies that previously did not employ such people;
- **ice-breaker scheme for unemployed graduates:** to help companies employ highly educated graduates for the first time, the government should use a scheme similar to Denmark's 'icebreaker' scheme, where unemployed people aged 50+ and people with only a non-vocational secondary education were eligible for a subsidised employment scheme. A similar scheme, allowing subsidised employment for six months or longer, should be introduced for graduates as well;
- **remove the legal requirement to give all qualified unemployed people under 30 a subsidised public sector job:** having to work in a specified public sector job is not suitable for everyone, so other options should be allowed for the first few months: e.g. attendance at 'job clubs'; a six week training course chosen by the unemployed person or subsidised jobs in the private sector;
- **allow unemployed graduates to choose their own active employment programme for the first six months:** this would be funded by central government, which would free up local government resources to be spent on those in more need of assistance and support;
- **assess each young person to identify the best active inclusion scheme for them:** this would involve removing the current rules under which the state reimburses municipalities a larger share of the benefits paid to the unemployed person when vocational training or subsidised in-work training and employment are used to actively include an unemployed person. This would enable local authorities to offer other types of active inclusion programmes, specifically tailored to each individual, to support them in accessing the labour market;

- **revoke the legal requirement to use private subcontractors for active inclusion programmes for university graduates:** this would allow the municipalities more control and would provide unemployed people with better services.

### 3.4 Think outside the box to integrate the services

#### 3.4.1 The problems

Many young people experiencing problems in education and unemployment end up having to deal with several different local government offices, including the municipal job centres, careers advice centres and social services. This means that they may have one advisor at the job centre, another one at the family centre or social services centre, a third advisor at the rehabilitation centre and other advisers at other municipal or regional institutions. This is partly because, since the local government reforms of 2007, local governments in Denmark have been required to separate the employment services from other services such as social services and health care. This separation makes it difficult for the different administrations to provide a seamless service to clients. In addition, local, regional and national public sector organisations also find it difficult to collaborate in working towards common objectives. That is why we suggest that the public sector should consider thinking outside the box to integrate services for young people.

#### 3.4.2 Requested government action

We encourage the Danish government to ensure a more cohesive service for young people by taking the following actions:

- **introduce a comprehensive young person's plan for each individual:** this would avoid having a new plan started each time a young person encounters a new civil servant; instead it would mean having a single plan, specific to that young person, that is used across all the different public sector institutions and administrations;
- **introduce a case manager (or a case team) for each young person:** a case manager or case team would ensure that one or more professionals are responsible for developing an agreed collective view of the problems and needs of the client, as well as being responsible for planning all the required services (e.g. active inclusion measures, careers advice, social services), and for ensuring that the plan is followed across all parts of the public sector;
- **harmonise the definition of a young person: currently young people are defined differently for different areas of legislation. For education, young people are those aged 15-24 years; for social policies, they are aged 14-17 years; and for employment, they are 18-29 years. A common and consistent definition will clarify the responsibility of each public sector organisation, and make it possible to provide a more thorough and comprehensive service;**
- **improve cooperation between services for young people with mental health problems:** to help the increasing numbers of young people with mental health problems to overcome their issues, the various administrations need to collaborate across the national and local levels, to ensure institutions provide a cohesive and preventative service;
- **change the legislation that affects the provision of services to young people:** by removing the requirement to, for example, keep municipal social services separate from municipal employment services, this

would allow greater levels of freedom in organising and coordinating youth services across the social, education, treatment and employment administrations in local government, and would help to maximise the positive benefits of the services provided to young people;

- **simplify and harmonise the rules for rehabilitation<sup>9</sup> and student grants to disabled people:** the education and training services and grants available for people with disabilities need to be simplified, harmonised and integrated.

## 4. CONCLUSIONS

Denmark's six largest cities are committed to helping increase the opportunities for Denmark's unemployed young people and thereby increase their active inclusion and reduce youth unemployment. This proposal is a continuation of our 2011 proposal 'Towards the Employment System of the Future', and underlines our commitment to working with government and other stakeholders to improve the future for young people living in Denmark.

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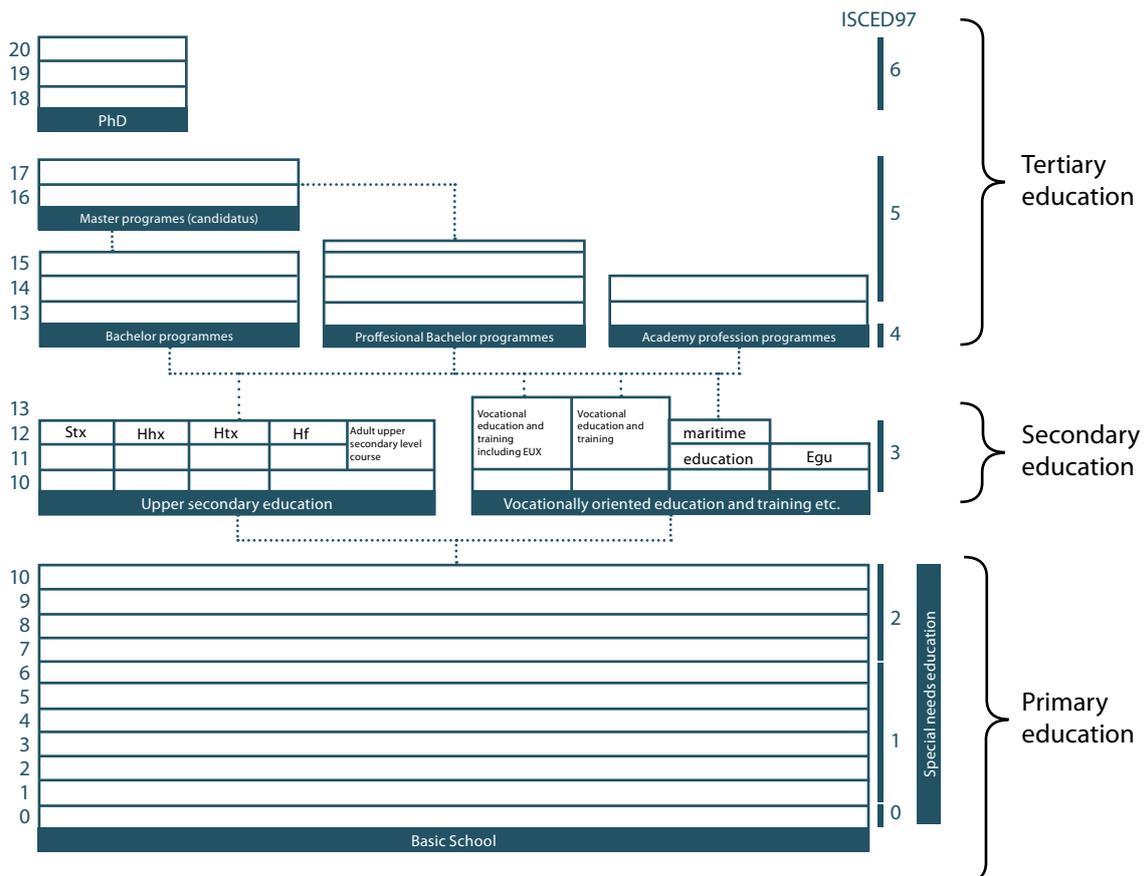
<sup>9</sup> Revalidering in Danish, which means retraining.

## 5. ANNEX

### 5.1 An overview of the stages in the Danish education system

- Primary education: basic schooling for young people up to 15 or 16 years old: this is mandatory up until Year 9, with a voluntary Year 10: it is rare for young people to drop out of primary education;
- secondary education: for young people around 16 – 20 years old: it offers education from Year 10 to Year 13, and offers a choice between:
  - o vocational (technical) education: these can be short-term or longer courses, and ensure that young people are ready to enter the labour market;
  - o general (non-vocational) education: to ensure young people are ready to enter tertiary education e.g. university.
- tertiary education: covering Year 13 upwards: e.g. universities.

### 5.2 Diagram of the Danish education system





## **Cities for Active Inclusion**

Cities for Active Inclusion is a dynamic network of nine European cities – Birmingham, Bologna, Brno, Copenhagen, Krakow, 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 active inclusion strategies at the local level.

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

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