The Policy to Promote Social Responsibility of Enterprises in Denmark

by Anders Rosdahl,
Danish National Institute of Social Research, Copenhagen

1. Introduction
This paper has been prepared for the European Commission-DG EMPL Peer Review Programme and focuses on the Danish policy to increase social responsibility of enterprises. The paper describes the main elements of this policy (section 2), discusses the results so far (section 3) and presents some viewpoints in the current Danish debate (section 4). Section 5 includes some concluding remarks.¹

Encouraging social responsibility of enterprises is one of the means to promote what in Denmark today is termed an inclusive labour market. An inclusive labour market is one where there is “a place for everyone”, i.e. also for persons with a reduced working capacity, disabled, ethnic minorities and long-term unemployed – that is persons who have traditionally had difficulties in obtaining or remaining in employment. An inclusive labour market is adapted to the needs and capabilities of diverse human beings, which also means, for example, that employed people are able to reconcile work and family life. The inclusive labour market is, according to current governmental thinking, a vision for the Danish welfare society.

The policy to increase the social responsibility of enterprises and to promote an inclusive labour market includes several specific policy areas. In this paper the point of departure is primarily social policy and to some extent labour market policy. Efforts within other policy areas are not dealt with. This means that, for example, the policy to promote a better working environment to reduce expulsion from the labour is not included in the paper. Neither is the integration policy targeting immigrants and refugees described.

2. Main Elements of the Policy.
2.1 The Basic Ideas.
The term “social responsibility of enterprises” in a Danish social policy context was used publicly for the first time on January 10th 1994. On this day the Minister of Social Affairs, Karen Jespersen, presented an article in the newspaper “Politiken” (Jespersen 1994). With the article and a press conference Karen Jespersen opened the campaign “Our Common Concern”. All the basic ideas of the policy to promote social responsibility of enterprises, which came to be influential in the subsequent years, are found in this article.

Social responsibility not only has to do with efforts in the public sector, but is a “common concern”. Local communities, voluntary organisations, unions, enterprises and others may make contributions as well. In Denmark there are examples of enterprises which, on their own initiative and in cooperation with local partners, create employment opportunities for people with reduced working capacity and social problems. “But these examples are too few”. Enterprises should do more to employ weak and disadvantaged groups, e.g. long-term unemployed people. Enterprises should promote personnel policies with a social dimension to prevent expulsion from employment and to promote a better adaptation between work and family life. Enterprises (also public ones) have many resources and are

¹ For many of the terms in relation to Danish legislation, policy and institutions there exists no English translations, which are generally accepted and consistently used. However from the context in this paper the meanings are hopefully clear also for Danish readers.
able to contribute solutions where the public authorities alone cannot. Cooperation in local partnerships between enterprises and other involved partners may create new energies and new opportunities. At the same time Karen Jespersen explicitly stressed that social responsibility of enterprises does not imply introducing strict quota schemes or sanctions to force business to make an effort. Neither does it mean naïve idealism on the part of the enterprises (with adverse consequences for economic health of the business) nor a “shift of social burdens” from public authorities to employers. Instead social responsibility means that enterprises realise that they in fact have a social responsibility and that it is in their own interest to take on this responsibility. The enterprises have an interest in a stable and well-functioning society and social responsibility may increasingly contribute to companies’ competitiveness both in the labour market (to hire and retain qualified employees) and markets for products and services. Modern management implies personnel policies with a social dimension. Instead of looking at enterprises and public authorities as separate spheres a new partnership for social cohesion involving companies, public authorities and others is called for.

2.2 Background.
In Denmark, handling of social problems had traditionally been seen as a task primarily for the public sector. The focus on the role of enterprises in social policy thus potentially represented a significant change in current thinking. In describing the background of the policy we will not try to discover where the idea of “social responsibility of enterprises” in a Danish context came from. Instead we will give a brief outline of the social and labour market policy context.

During the 60s and until 1973 there was full employment in Denmark, but in the following period of 20 years until 1993 unemployment increased. By 1983, the rate of unemployment had risen to 10.4 per cent. It fell subsequently as a result of an economic upswing in mid 80s but from 1987 it rose again steadily to reach 12.3 per cent in 1993 and 1994. Thus, the campaign to increase social responsibility of enterprises was launched at a time when unemployment was extremely high and had been so for many years.

An even more basic, although related, factor was a long-term increase in the number of people of employable age (16-66 years) receiving some form of public income transfer (e.g. unemployment benefit, social assistance, anticipatory pension and early retirement wage). In 1960, less than 200,000 persons of working age received some form of income transfer (Smith 1998). Since 1960, the number gradually increased to reach a little less than 1,000,000 in 1994. Of course, this represented a heavy economic burden and was also a sign of lack of social cohesion: A large group of persons was outside ordinary working life and most of these people lived on “passive” income transfers.

Two basic goals of Danish social and labour market policy both in 1994 and today are to reduce the number of persons receiving passive income transfers and to increase employment. The policy on social responsibility of enterprises was (and is) primarily a means to achieve these objectives.

The “active line” in social and labour market policy is another means. The active line is a result of developments over many years but was much strengthened from the beginning of the 90s, including the labour market and social policy reforms from 1994 onwards. The basic idea of the active line is that instead of receiving passive income maintenance, people should be active. The active line means, for example, that
today all unemployed people and all recipients of social assistance\(^2\) will have to go into some form of activation programme (e.g. training or job-training) after a certain period without work. Participation in activation is a right and an obligation for these groups. Part of the active line has in the late 90s included incentives for elderly people to stay longer in the labour market.

The active line was at the outset targeted at unemployed persons with a view to developing their qualifications and employability in particular. The policy to increase the social responsibility of enterprises can be seen as the workplace targeted complement to this person-oriented line. Thus, from 1994 social and labour market policy in Denmark includes two tiers, which have been subsequently strengthened:

- The active line targeting persons (making them active and developing their human resources);
- and a policy targeting enterprises (making them more socially responsible and thus favourable to giving opportunities to persons to become active).

Although the two tiers are strongly interrelated the following sections will primarily focus on the policy to increase the social responsibility of enterprises.

### 2.3 Goals and Target Groups of the Policy

Social responsibility of enterprises implies certain types of behaviour by managers or employees involving use of their time and other enterprise resources. The motive for being socially responsible may be a wish to do something for a disadvantaged person, self-interest on the part of the firm or both, but social responsibility is not in itself defined in terms of motives. “Good” motives without any behavioural consequences at all is not social responsibility, but change of attitudes may be a means to influencing enterprises and, as we will shortly see, it is an important component of Danish policy.

The campaign for social responsibility of enterprises focuses in particular on three types of behaviour:

- **Retention** in work (of e.g. long-term sick people, other employed persons with reduced working ability or elderly people);
- **Integration** (i.e. hiring of e.g. long-term unemployed people or persons with reduced working capacity);
- **Prevention** (e.g. of health problems and social problems among employees).

The target groups of the policy are hard to define precisely. The target group for “prevention” includes, in principle, all persons who for some workplace-related reason have a risk of becoming (long-term) sick. The target group for retention is, for example, employed persons who have been sick for a long time but who, with suitable remedies, may be able to stay in work, and the target group for “integration” is persons without work who have severe difficulties in finding employment on ordinary terms. Thus, the target group (the ultimate beneficiaries) of the overall policy is not strictly operationally delimited by criteria such as age or employment situation. However, in some of the legal measures following the policy the target groups are more concretely defined.

Among the enterprises the target groups include both public workplaces and private companies and both large and small enterprises. In the beginning there was a tendency to focus mostly on private enterprises and large ones but it seems that this is no longer so.

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\(^2\) Cash benefit paid by the local authorities to people with no other means of subsistence (the lowest social safety net).
2.4 Implementation of the Policy

Broadly, the instruments to increase social responsibility of enterprises may be classified into three categories:

- First, there are instruments aiming directly at influencing, creating knowledge and changing attitudes, e.g. marketing activities, dissemination of information and tools, experiments with innovative solutions (projects), research and exchange of experience (section 2.4.1).
- Second, there are instruments aimed at changing enterprise behaviour via economic incentives (section 2.4.2).
- Third, there are more indirect instruments related to public authorities' efforts within social policy (section 2.4.3).

At the outset the basic instruments were those in the first category whereas the others were seen as a sort of additional support.

2.4.1 The Campaign

General activities. When the campaign was launched in January 1994 the Minister stated that she would invite the social partners to a conference. This conference was held in June 1994 (Det angår os alle 1994). About 140 persons participated. The report from the conference included results from a survey of about 1000 enterprises. The results showed that many enterprises were engaged in different types of social activities. The report also included a number of concrete examples of such activities in enterprises.

In the campaign strategy it was seen as important to demonstrate and make visible the initiatives that many enterprises had already taken themselves. A number of examples from small private enterprises was published in September 1995 (Kylling, Bach og Kjær 1995), in May 1996 came a large collection of cases from 70 private enterprises (Kylling, Bach og Kjær 1996) and in November 1997 came an investigation on social responsibility in public enterprises (Socialministeriet 1997).

A still more comprehensive investigation was undertaken in 1996 including a nationwide representative telephone survey of nearly 3000 private and public enterprises (Holt 1998).

In 1997 the Ministry initiated a research programme on the theme “social responsibility of enterprises”. A number of publications have come from this programme, which runs until the end of 2002. In 1998 the Ministry initiated a large evaluation project to follow the developments in the social responsibility of enterprises in Denmark in the period from 1998 to 2005. This monitoring project is, among other things, based on surveys of both enterprises (undertaken in 1998, 2000, 2002 and 2004) and employees (undertaken in 1999, 2001, 2003 and 2005).

A newsletter on social responsibility of enterprises was issued in 1996 (cf. Nyhedsbrev nr. 1-5, 1996-1998). The newsletter later became a magazine published twice a year in 3,500 copies. So far 10 issues of the newsletter/ magazine have been published. Each issue has about 40 pages (cf. Nyhedsmagasin nr. 6-10, 1999-2001). The magazine informs on new initiatives, the Enterprise Pool (cf. below), concrete projects and examples from enterprises, new legislation and research.

The Ministry has prepared a number of separate publications on different themes in the campaign, for example on handicapped in work (Socialministeriet 1996a), family friendly workplaces (Socialministeriet 1996b), absenteeism (Socialministeriet 1999a) and employment of refugees and immigrants (Socialministeriet 2000). General information on the campaign can also be found in the publications from the ministry (e.g. Socialministeriet 1999b and 2000c). The campaign has a homepage.
29 publications (the magazine not included) are mentioned here. In 2000 there were, for example, 7 publications related to work retention. Several of the publications have been prepared in cooperation between the ministry and others partners. In addition, in relation to the campaign a number of seminars and conferences have been held.

A new campaign on the inclusive labour market is to run in the period September 2001 – May 2002. The Ministry of Social Affairs plans the campaign with assistance from a private communications firm. The target groups are the general public, the public sector, and private firms. It is both a nation-wide campaign and a locally oriented campaign. The nation-wide part will be delivered through mass media such as television, newspapers and professional periodicals. The locally oriented campaign will be the most comprehensive. For example 20,000 enterprises, both public and private, will receive a “starter kit” – a package with information and tools. Enterprises with more than 100 employees will receive a special package. The locally oriented part of the campaign will be adapted to local circumstances and undertaken in co-operation with local partners. A large number of activities (including press releases and conferences) are planned. Among other things a campaign website and a telephone hotline to the ministry will be established.

The Enterprise Pool.
The so-called “Enterprise Pool” has been one of the core instruments in the campaign. The Ministry of Social Affairs established the Pool in 1995. Private or public enterprises, local authorities and other organisations/institutions could apply for economic support for projects to promote the social responsibility of enterprises. The total amount allocated from the Enterprise Pool was DKK 131 millions in period 1995-1999 (cf. table 5.1 in appendix 5). Public authorities (at local or regional level) are the largest single categories of recipients, but private companies and private institutions of different kinds play an important role also. It should be emphasised that the “recipient” in the table is the formal applicant. A characteristic feature of many projects is that they imply cooperation among different (most often local) partners.

The projects concern a great variety of themes (cf. table 5.2 in appendix 5). More than one third concern integration i.e. are targeted at persons without employment (cf. category 2 in the table). About a quarter are targeted at work retention (cf. category 1) and one sixth are concerned with a personnel policy with social dimensions (category 3). These three categories of themes are the single largest ones. Therefore, one can say that the grants from the Enterprise Pool focus primarily on the three themes in the policy: Integration, Retention and Prevention. With reservations due to the nature of the data it seems that integration and work retention have about equal weight in the projects under the Enterprise Pool whereas prevention has a somewhat less importance.

Each year until 1999 private and public enterprises and other institutions have been invited to submit applications to the Enterprise Pool. From 2000 onwards the Ministry continued to finance and initiate specific projects on the social responsibility of enterprises and the inclusive labour market. For example, a large project in 21 counties and local authorities to promote rehabilitation in enterprises runs in 2000-2002.

The Social Index.
On the initiative of the Ministry of Social Affairs a so-called Social Index has been developed in 1998-2000. The Index is a tool for measuring the degree to which a company (private or public) lives up to its social responsibilities. It is a self-evaluation tool and consists of a number of dimensions of social responsibility. The idea is that management and representatives of employees decide upon scores on the dimensions in a cooperative dialogue. The result is a total score in the interval 0-100. In 2000 a pilot project on verification of the social index by external assessors has been undertaken. This work

Networks of Executives.
In 1996 the Minister of Social Affairs invited a group of business managers to participate in what came to be termed “The National Network of Enterprise Managers”. The network was created in May 1996. The purpose of the network is to promote debate on the social responsibility of enterprises, to give advice to the Minister of Social Affairs and to inspire enterprises to take initiatives within the field. The network includes 15 top-managers from private companies and public enterprises. The enterprises have from 15 to 30,000 employees and employ in total about 85,000 employees. The Minister selected the enterprises (i.e. the employers’ organisations were not involved). The enterprises are among the largest and most highly esteemed in Denmark. The network meets 4-5 times a year. In the first years the chairman was CEO Lars Kolind (Oticon). From August 2000 the chairman has been CEO Niels Due Jensen (Grundfoss). The network is assisted by a secretariat in The Ministry of Social Affairs.

On the initiative of the National Network five regional conferences were organised in 1997. The conferences marked the creation of 5 regional networks of business leaders: 3 in Jutland, 1 on Funen and 1 in the Copenhagen area. The regional networks are supported financially by The Ministry of Social Affairs making it possible for each network to hire an “inspirator” (i.e. to have a secretariat). Each network includes about 25-50 enterprises and each has its own homepage.

The networks engage in a number of activities. Among other things the National Network together with The Minister of Social Affairs hosted in 1998 a large “hearing” on the social responsibility of enterprises (Det Nationale netværk af virksomhedsledere 1998). The National network has published informative material and cases on “sideproduction” and “the service employee” – to disseminate models for social responsibility and inspire others to work with the issues (Det Nationale Netværk af Virksomhedsledere 1999a and 1999b).

The Network Prize.
One of the most conspicuous activities of the National Network is The Annual Network Prize awarded for the first time in 1999. Each year there are two prizes: One prize goes to the most socially responsible private company, the other to the most socially responsible public enterprise. A committee makes the nominations and the prize is awarded at an event in November. The Minister of Social Affairs opens the ceremony and Her Royal Highness, Princess Alexandra (who is very popular in Denmark) presents the prizes to the two winners. In the ceremony there are also prominent speakers and entertainment.

The Copenhagen Centre (TCC).
The Copenhagen Centre is an independent institution established in 1998 following the US 1995 World Summit for Social Development in Copenhagen in 1995 (cf. among other things: Mandag Morgen 1995) and the Danish Campaign on the social responsibility of enterprises. The Centre focuses on social responsibility of enterprises and new partnerships in an international perspective. TCC serves as an intermediary for governments, businesses, social partners and civil society organisations. Its core tasks are to conduct surveys, organise and facilitate networks, publish reports, conduct seminars etc, thereby facilitating an international exchange of experience in the field of new social partnerships.

The Minister of Social Affairs, Karen Jespersen, announced the establishment of the Centre in her concluding statements at an international conference on “New Partnership for Social Cohesion” in Copenhagen 16-18 October 1997. A number of documents were produced for the conference (cf. the synthesis document: Ministry of Social Affairs 1997). TCC organised a follow-up conference in

TCC has, among other things, together with the Danish Minister of Social Affairs initiated an informal government network (including ministers from The Netherlands, Ireland, Great Britain and Denmark) on social responsibility of the corporate sector and new social partnerships.

The Centre for Development of Employment on Special Term.

Strictly speaking this Centre may not be seen as part of the Campaign, but the objectives of the Centre’s activities are in line with the campaign. The Centre was established in 1996 for a limited time period but became permanent in 2000. It is a self-governing institution under the Ministry of Labour and the Ministry of Social Affairs. It was established on the initiative of these two ministries. A board oversees the Centre. In the board there are representatives from, among others, the two ministries, the counties’ and local authorities’ organisations and the social partners. Today the Centre has a staff of about 18 persons.

The aim of the Centre is to contribute to an inclusive labour market, in particular jobs on special terms (cf. below). In the period 1996-2000 the Centre allocated DKK 70-80 millions$^3$ for different activities and projects (in total 54 projects in 2000). The Centre publishes a newsletter and, since 1999, a magazine 4 times a year. The Centre’s activities and services also include a) presentations, courses and conferences on request, b) courses for project-managers and for counties, local authorities, social partners etc. specially adapted to the inclusive labour market, c) information via a website on activities in relation to the inclusive labour market, d) production of concrete tools (e.g. booklets, pamphlets, videos, websites) to promote the inclusive labour market (Udviklingscenter 2001). An example is a website with information and counselling on absenteeism and work retention (www.via2000.dk). In the years to come one of the Centre’s core tasks will be to make the inclusive labour market a viable reality in the Danish workplace. A significant part of the activities of the Centre will include dissemination of information and attempts to influence attitudes of enterprises and their employees. Thus it seems that the activities in the future will more directly focus on the workplace.

2.4.2 Jobs on Special Terms and Social Clauses

**Jobs on Special Terms: Social Chapters, Flexjobs and Protected Jobs.**

In the mid’90s so-called social chapters became included in a large number of collective agreements in the Danish labour market. The social chapters make it possible for employers and unions locally to agree on employment on special terms deviating from ordinary employment (with respect to e.g. wage and working time). Such types of employment are for persons whose capacity for work for some reason (e.g. health problems or old age) is reduced. No current statistics on this type of employment exist but it is estimated that in 1998 about 3,600 persons were employed according to the social chapters (Larsen & Weise 1999). In principle employment according to social chapters may be in a flexjob i.e. with a wage subsidy (cf. below). Presumably however, in practice employment under social chapters is predominantly without any public subsidy.

In 1998 the so-called flexjob scheme was set into force (The Act on Active Social Policy). The scheme replaced the previous “50-50 scheme” which had existed for many years. The target group for flexjobs is persons with a permanently reduced working ability who do not receive anticipatory pension. The revised scheme aimed at promoting this type of employment. The employer receives a wage subsidy amounting to one third, one half or two thirds of the minimum wage depending on the extent to which

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the working ability of the person is reduced⁴. The person in a flexjob receives wage according to collective agreement. The flexjob scheme has been amended a number of times in recent years to generate more use of the scheme by improving the labour market rights of persons in flexjobs. Some of the latest amendments were set into force as of July 1st 2001. They imply, for example, that persons in flexjobs will now have a right to enter a “flex allowance” scheme (an early retirement scheme) comparable to the early retirement wage (which may be acquired from the age of 60) for members of unemployment insurance funds. Although persons in flexjobs cannot become members of unemployment insurance funds they now have rights in many ways comparable to members of unemployment insurance funds. In recent years unions in particular had been critical of the flexjob scheme because of the flex-jobbers’ lack of some general labour market rights. The number of flexjobs has increased substantially in the last few years (cf. table 4.1, appendix 4). In the 4th quarter of 2000 nearly 10,000 persons were employed in a flexjob. Presumably, most of the flexjobs represent integration of persons without a job rather than retention in work of already employed persons. The total public expenditure in 2000 to flexjob wage subsidies was DKK 903m⁵. The wage subsidies are financed by the state. From 2002 the state only finances 65 per cent (the local authorities 35 per cent).

The protected job scheme was revised at the same time as the flexjob scheme with the same objective of promoting the inclusive labour market. The “protected jobs” are for persons receiving anticipatory pension. Both private and public employers may hire recipients of an anticipatory pension. The employer receives a wage subsidy amounting to half of the wage (but maximum one sixth of the current minimum wage according to collective agreement). The number of protected jobs has also increased although not as much as the number of flexjobs. Today about 5,400 persons are employed in a protected job – corresponding to about 2 per cent of the number of recipients of an anticipatory pension. The total public expenditure in 2000 to protected job wage subsidies was DKK 171m⁶. The state and the local authorities each finance half of the wage subsidies.

Government has set targets for the number of jobs on special terms. In NAP (National Action Plan for Employment) 2000 the objective was 30-40,000 jobs on special terms before 2005 (Arbejdsministeriet og Økonomiministeriet 2000). Today there are about 19,000 (= 3,600 + 10,000 + 5,400).

There exist other types of subsidised employment in Denmark. The most important (in quantitative terms) is job-training which PES (Public Employment Service) and local authorities may use as an activation tool (cf. appendix 4). In contrast to the jobs on special terms (social chapters, flexjobs and protected jobs), which imply permanent employment, job-training is temporary. Rehabilitation in work with a wage subsidy is another type.

In addition to the formal schemes in the Danish labour market there are a number of what are sometimes called informal protected jobs (implying no formal scheme or subsidy). According to one estimate there were in 1998 16,000 of these jobs (Larsen & Weise 1999).

The number of jobs of the types mentioned is often considered as indicators on the social responsibility of enterprises and the inclusive labour market. A broader indicator is the total number of employees recruited from the target groups for the inclusive labour market (disadvantaged groups) - including disadvantaged persons employed in ordinary jobs. Government will take initiative that a concrete target is set for the public sector with respect to this indicator. Government’s intention today is that at least 3.5 per cent of employees in the state, counties and municipalities are recruited from the target groups for

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⁴ Most flexjob have been established with a subsidy of 50 per cent of the minimum wage.
⁵ Source: The Ministry of Social Affairs (personal communication).
⁶ Source: The Ministry of Social Affairs (personal communication).
the inclusive labour market and that highest priority is given to ordinary jobs (Arbejdsministeriet m.fl. 2001).

Social Clauses.
A social clause implies that a public agency demands some social performance from e.g. a supplier (a private firm) as a condition for buying from the supplier. Some local authorities and counties already have social considerations embedded in their tender policy but this is not very widespread. However, in the agreements in the summer of 2000 between Government and the local authorities’ and counties’ associations the local authorities and counties were encouraged to use social clauses. According to the agreement social clauses may be relevant not only in public procurement but also in relation to outsourcing of public services to private firms and in relation to associations and institutions (within e.g. sport and culture) receiving public economic support. Thus social clauses are now part of the policy to promote social responsibility of enterprises and the inclusive labour market. The individual public authorities and institutions are not legally or otherwise obliged to apply social clauses but central level (including Government) exerts some “normative” pressure in that direction. Potentially social clauses may have a great impact because the public sector is very large in Denmark.

In a follow-up publication Government and the local authorities’ association (Finansministeriet 2000) indicated that social clauses could require that private firms...

- have a policy for retention in employment of their workforce.
- co-operate with the local authority on work rehabilitation.
- co-operate with the local authority on integration of refugees and immigrants.
- offer places for activation in the company.
- establish jobs for persons with reduced working capacity.
- use the Social Index as self-evaluation tool.
- have a certain fraction of their jobs allocated to long-term unemployed persons or persons with reduced working capacity.

To promote the adoption of social clauses a website has recently been established (www.socialaftaler.dk) Among other things the interactive website is intended to make it easy for public authorities and institutions to use social clauses and to ensure that procedures and contracts are in accordance with legal and other requirements (including requirements from EU). More generally the aim of the website is to create a frame for a virtual network of parties around social partnerships and social clauses. The target group for the website includes persons not only in local authorities, counties and state institutions but also in private companies. The idea is to create a sort of strategic forum with the aim of exchanging experiences, arranging conferences, presenting new practical tools etc. The website is overseen by a board with representatives from The Ministry of Industry, The Ministry of Social Affairs, The Ministry of Labour and The National Association of Local Authorities.

2.4.3. Organisation and Contents of Social Policy
Under this heading a number of elements could be included. In our opinion the most important ones in relation to the policy to increase social responsibility of enterprises are the new Local Coordination Committees, The Council Responsible for Initiatives on the Inclusive labour Market and certain changes in social policy related to the active line.

A few remarks on the organisation of Danish social and labour market policy may be in order before a description of the changes. In Denmark 275 local authorities implement social policy. The local authorities are governed by political bodies (Municipal Councils), which are elected by the citizens every fourth year. The local authorities administer social assistance (the lowest social security net), activation
of recipients of social assistance, rehabilitation, the flexjob and protected job schemes, sickness benefit and anticipatory pension. At central level the authority is The Ministry of Social Affairs. Implementation of social policy in Denmark takes thus place in a decentralised system. Labour market policy is implemented, among other things, by PES (Public Employment Service) organised into 14 regions, which comes under The National Labour Market Authority (under The Ministry of Labour). Regional Labour Market Boards (where, among others, the social partners are represented) were established in 1994. PES handles (e.g. activates) unemployed persons of which most receive unemployment benefit from unemployment insurance funds affiliated with the unions. The implementation of the policy on social responsibility of enterprises and on the inclusive labour market is very much the concern of local authorities, which administer legislation most directly related to these issues.

Local Coordinating Committees.
On January 1st 1999 it became obligatory for all 275 local authorities to set up a “coordinating committee for preventive labour market measures”, either alone or jointly with other municipalities (cf. The Act on Legal Protection and Administration in Social Matters). The aim of the committees is to promote employment possibilities for citizens in danger of expulsion from the labour market and citizens having special difficulties in obtaining employment under normal conditions. According to legislation the committee a) follows and gives advice to the municipal authority on the local active labour market directed efforts, b) gives advice to others e.g. enterprises and unions, c) contributes to developing cooperation between the local authority and other partners on the labour market directed efforts. - Each year the Committee submits a report to the Municipal Council. The report is at the same time sent to The Council Responsible for Social Initiatives on the Inclusive Labour Market.

The Municipal Council has at least one representative on the committee and the following organisations/ institutions are represented in the committee and appoint each at least 1 local representative (Danish acronyms in parentheses): The Danish Council of Organisations of Disabled People (DSI), The Danish Confederation of Trade Unions (LO), The Danish Employers’ Confederation (DA), The Confederation of Salaried Employees and Civil Servants in Denmark (FTF), The Organisation of General Practitioners in Denmark (PLO) and The National Labour Market Authority (AMS). The Coordination Committees are assisted by local secretariats. In 2000 there were in total 147 Coordination Committees of which 55 covered more than one local authority (Det Sociale Råd, 2000). According to the Act on An Active Social Policy DKK 95m was allocated to the Committees in 1999. For 2000 onwards the yearly amount is DKK 145m. The funds are earmarked for preventive labour market policies promoting special business-related local initiatives, including cross-municipal initiatives and initiatives undertaken in cooperation with organisations, foundations etc. Information on the use of the funds shall be given in the annual report.

This council is a sort of parallel body at central level to the Local Coordination Committees. The council was made statutory from April 1st 2000 according to an amendment to the Act on Legal Protection and Administration in Social Matters. (At the same time the Central Coordination Committee was abolished. The Committee’s tasks were taken over by the Council.) The Council is an advisory body for The Minister of Social Affairs on matters concerning the social labour market focused efforts to promote the inclusive labour market.

The Minister of Social Affairs appoints the chairman of the council and the other (8) members, nominees of (Danish acronyms in parentheses): The Danish Employers’ Confederation (DA), The Danish Confederation of Trade Unions (LO), The Confederation of Salaried Employees and Civil Servants in Denmark (FTF) and The Danish Confederation of Professional Associations (AC), The Danish Council of Organisations of Disabled People (DSI), The National Association of Local Authorities (KL), The
Association of County Councils in Denmark (ArF), The municipalities of Copenhagen and Frederiksberg and The Ministry of Labour (AM).

The secretariat for the Council (3 persons) is located in The Ministry of Social Affairs. The Council issues a newsletter and it has its own homepage (www.detsocialeraad.dk). One important task of the Council is to follow and support the work in the Local Coordination Committees. In 2001 the Council arranges a conference for all members of the Local Coordination Committees.

Changes in Social Policy Related to the Active Line.
The general thread running through many changes in social legislation in recent years is a strengthening of the active line. Indirectly the aim has also been to increase social responsibility of enterprises among other things by encouraging social workers in local authorities to an ever greater extent to focus on measures involving enterprises (public and private).

For example, in 1997 the local authorities became obliged to follow-up persons receiving sickness benefit after 8 weeks. The aim was to promote active measures if possible in cooperation with the enterprise from which the sick person was absent.

From 2000 the local authorities are, according to legislation, obliged to offer special services free of charge to private enterprises to promote the inclusive labour market in particular jobs on special terms (e.g. flexjobs). The services may include counselling and administrative assistance. The aim is to make it easier for enterprises to use the schemes (Den Sociale Ankestyrelse 2001). It has also been decided to establish specialised local units affiliated to the local authorities aiming at promoting employment exchange in particular for persons with a reduced capacity for work.

In general the policy is that local authorities should give priority to develop the contact with enterprises among other things by entering agreements with enterprises on their involvement in the active policies.

A very important change in the anticipatory pension scheme was adopted by Parliament in April 2001. The main parts are to come into force in 2003 (cf. Appendix 6). The basic aim of the reform is to reduce the inflow into this scheme of persons who may be able to perform some type work in particular in a job on special terms (flexjob). Instead of an anticipatory pension those persons will be entitled to a flexjob. The reform will therefore, among other things, require that even more flexjobs are created.

2.5. The Danish Policy and EU Employment Guidelines
The Council has for each of the years 1998-2001 made decisions on Employment Guidelines (EG). The Danish policy to increase social responsibility of enterprises is in accordance with EG. For example, EG places much weight on partnerships, which is a core element in the Danish policy. The Danish policy is also in accordance with a number of the specific recommendations in EG (including the country specific part) for 1998-2001. For example the recommendation to Denmark in EG-2001 is, among other things, “to expand the current labour force…and reduce the number of people of working age on social benefits”.

3. The Results.
Right from start of the Campaign in January 1994 the Minister of Social Affairs emphasised: “fundamental changes take time” (Jespersen 1994). In other words: If social responsibility of enterprises is about changing traditional ways of thinking and doing it is not to be expected that such changes will occur overnight. Furthermore, due to the nature of the policy with heavy weight on local initiatives and voluntary participation it is difficult to assess its impacts. However, something can be said. Before we go
more directly into this we will briefly outline some developments in the number of persons on public income transfers in 1994-2000 (quantitative indicators).


As mentioned above one important objective in social and labour market policy (including the policy to increase the social responsibility of enterprises) is and has been to reduce the number of recipients of passive public income transfers. From appendix 3 and other sources it appears that:

a) Total unemployment has fallen (with 56 per cent) from 1994 to 2000. In the same period the number of activated persons has been nearly constant (PES) or increasing (local authorities). This means that the rate of activation (cf. table 2.2 in appendix 2) has increased indicating that the active elements in actual labour market and social policies have become more pronounced. The increase in the number of persons on rehabilitation from 1994 to 1999 (cf. table 3.1 appendix 3) is an indication of the same trend.

b) The total number of persons on early retirement increased in the period 1994-1998 but decreased after 1998 (cf. table 3.2 in appendix 3). The number of recipients of anticipatory pensions increased from 1984 until mid 90s. In the last few years the number has decreased from about 273,000 in 1997 to 262,000 in January 2001 (Danmarks Statistik 2001b). The number of persons on early retirement wage increased each year in the period 1994-2000 whereas the number of persons on transitional allowance and part time pension decreased from 1996 to 2000.

c) The total number of persons on public income transfers has decreased by 11 per cent from 1994 to 2000.

The explanations for the developments may be assumed to be:

a) Total employment increased in the period 1994-2000 (cf. appendix 2) due to a general economic upswing and the economic policy. The employment ratio (employment/population for persons aged 16-66) has increased gradually from 1994 to 2000 both among men and women (cf. appendix 2 table 2.1). Social and in particular labour market policy may have contributed to the increasing employment via, among other things, active policies (e.g. activation and training) and an increasing weight on the needs of enterprises in PES. But it seems unlikely that the campaign to increase the social responsibility of enterprises in itself has been of much significance in this connection. Rather one can say that the improvement of the employment situation may have facilitated possibilities and incentives on the part of the employers to focus on retention of their workforce and on the reserves of labour not currently employed.

b) The increased emphasis on active policies in PES and local authorities (cf. a number of reforms in labour market and social policy in the 90s) may, among other things, explain the increasing activation ratio. The decrease in recent years (from 1998) in the number of persons on early retirement may be due primarily to changes in legislation following the active line (abolition of the transitional allowance scheme, amendments to the early retirements wage scheme and to legislation on anticipatory pension).

c) The increasing use of, in particular, the flexjob scheme in recent years has contributed to increasing employment. The campaign to increase social responsibility of enterprises and the changes in the flexjob scheme seem to explain the increasing number of flexjobs. Research indicates (Larsen & Weise 1999) that subsidised employment functions only to a small extent as a substitute for ordinary employment (i.e. the deadweight at least seen in a short term perspective is very low).
Although a number of indicators thus show clear developments in a “positive direction” (from an overall policy viewpoint) there are some areas with few or no positive developments in particular:

- When general employment increases in a situation with high unemployment there is a tendency that the most qualified and able unemployed persons will be hired first. In other words those still not employed may be assumed to be the “weak groups”. Investigations point in that direction. Thus there are groups who have not benefited much from the improvement in the employment situation. In particular, the number of long-term recipients of social assistance has not decreased in recent years (Socialministeriet 2000b). The number of Danish recipients has decreased but the number of long-term recipients with a foreign background has increased. This problem will receive an increased attention.

- The number of persons on sickness benefit has not decreased. Both in labour market and social policy even higher priority will be given to the problem of sickness related and workplace caused absenteeism in the next years (cf. Rapport om sygefravær 2001).

3.2. Direct Impacts of the Policy.
As mentioned above one of the main principles of the policy to increase social responsibility of enterprises is that enterprises should change behaviour voluntarily. Such change may result from both normative and cognitive reframing. Although we have no quantitative documentation we think that the campaign and related activities have resulted in the following changes:

a) More mass communication on social responsibility of enterprises and related issues. Since Karen Jespersens article in January 1994 a very large number of articles (in newspapers, professional magazines, union and employer magazines etc. and in new magazines and newsletters from the Ministry of Social Affairs, The Centre for Development of Employment on Special Term and other institutions), pamphlets (from public authorities and others), reports (from e.g. consultancies and research institutions) have been published. Without the campaign, this would presumably not have been the case.

b) Conferences and seminars. These have been organised by The Ministry of Social Affairs and a number of other organisations (including unions) and institutions. In conferences and seminars people meet, speak and listen. Conferences and seminars are a sort of ad hoc project where people gather around a theme of interest. New contacts are established and new viewpoints are heard. People, who in their daily working lives are not in contact with each other, meet and exchange views. Conferences and seminars promote communication across institutional borders and may facilitate later personal contacts.

c) More partnerships (cooperation) across institutional borders, e.g. between local authorities and enterprises. The many projects in recent years involving cooperative efforts point in that direction. Many local authorities and enterprises have made formal partnership agreements, e.g. on activation, work-rehabilitation or work retention. Without the policy (the campaign) the activity in this field would presumably have been much less.

d) Formal bodies with tasks related to social responsibility of enterprises and the inclusive labour market. The most important examples are the Networks of Managers, The Local Coordination Committees, and The Council Responsible for Social Initiatives on the Inclusive Labour Market. There have been allocated resources to these bodies (e.g. secretariats). One important thing about these new institutionalised structures is that they imply new communication channels, e.g. between local authorities and other local partners (e.g. employers and unions). Another important thing is that partners external to the Ministry of Social Affairs (central level) and local authorities (local level) are becoming involved in advice and problem solving in the social field. This may be expected to imply both cognitive
and normative changes on both sides and to contribute (directly and indirectly) to increasing social responsibility of enterprises. Traditionally the social partners in Denmark have been involved (both at regional and central level) in the formulation and implementation of labour market policy. One really new thing in relation to the policy to increase social responsibility of enterprises and the inclusive labour market is that the social partners are now increasingly involved in Danish social policy. A recent evaluation shows that the Local Coordination Committees have promoted local cooperation on the inclusive labour market (Caswell & Pilegaard Jensen 2001). According to a survey of the 1100 members of the Committees the Committees have contributed to changes in attitudes towards local policies on the inclusive labour market among managers and shop stewards in particular. And 40 per cent of the secretariats of the Committees report, that the Committees have caused local authorities to enter formal agreements with local enterprises. This supports the assumption that the Coordination Committees contribute to social responsibility of enterprises. Other studies also point to new developments in cooperation at local level between local authorities and enterprises (Damgaard 2000).

Both the new formal bodies and the other indicated developments seem to imply that employers (and others) to an increasing extent acquire knowledge about social and labour market policy. Such knowledge may foster a new outlook and ultimately change enterprise behaviour (Martin 2001).

From this outline we conclude that it seems likely that the policy to increase social responsibility of enterprises has contributed to changes in attitudes favouring increased social responsibility of enterprises. We cannot say how widespread or how fundamental the changes are, but it seems certain that the policy has had an impact. Social responsibility of enterprises (and the inclusive labour market) has become an issue on society’s agenda both in the public sphere, in many institutional settings such as local authorities, unions and employers organisations, and in many enterprises.

3.3. Obstacles and Constraints

Investigations in recent years have thrown some light on the social dimensions of enterprise behaviour and attitudes. They also indicate some constraints and obstacles related to the policy.

Nationwide surveys have been conducted in 1996 and 1998 (Holt 1998, Larsen & Weise 2000, Larsen, Weise & Rosdahl 2000). A vast majority of enterprise managers think that companies have a social responsibility and that in the future enterprises should do more to retain and integrate disadvantaged groups. Thus there seems to exist some general “social” norms among enterprises in the Danish society. However, at the same time both private and public enterprises report that in recent years it has become still more difficult to hire or retain disadvantaged groups due to the enterprises’ situation. This points to a social dilemma. Most enterprises would prefer a society with greater social cohesion, but economic realities mean that it is often difficult for the individual enterprise to make the effort. This may be seen as a major obstacle to increase social responsibility of enterprises. Often it will cost the enterprises something to be socially responsible.

Investigations show that enterprises vary in their extent of socially responsible behaviour. However, it is difficult to conclude which types of enterprises are consistently more or less socially responsible. There are many dimensions of social responsibility and it is not the same factors that cause the different types of behaviour. The picture is thus rather complicated. One general trend is that public enterprises are more prone to use subsidised jobs than private enterprises. And enterprises in a less favourable economic situation are generally more prone to use subsidies than enterprises in a better economic situation. The larger the size of the enterprise the larger the probability to have at least one person employed with a subsidy. But the number of subsidised jobs in relation to total employment is generally higher in small enterprises (less than 50 employees) than in larger ones. This holds both for the private
and public sector. And it also holds for employment of people with disabilities and for informal protected
jobs. Thus measured in these ways small enterprises are more socially responsible than larger ones.

Studies consistently show that enterprises are more prone to exhibit responsibility towards their current
workforce than towards disadvantaged groups without employment. Thus, there are clearly larger barriers towards integration than towards work retention. It will often be in the direct interest of
management and employees to focus on work retention (in particular in a situation where the
employment situation improves) whereas the direct interest in integration of disadvantaged groups is
less. Some employees may even fear for their own employment if employers hire persons with a wage
subsidy. Another obstacle to integration may be that the persons available may be perceived not to
have sufficient qualifications.

A further constraint is related to the still limited knowledge and traditional ways of thinking in enterprises
- in spite of the campaign. In many cases enterprises may with some sort of counselling and contact
with local authorities realise that they can in fact make a contribution to solving social problems and that
it is also to their own benefit to do so. Therefore traditional habits and routines (culture) are a barrier.

Some constraints have to do with the public authorities’ efforts. Although in general efforts in local
authorities have become more directed at the labour market in recent years the traditional inward-
oriented outlook may still has its influence. Increased social responsibility of enterprises with a view to
realise the inclusive labour market also demands changes on the part of local authorities in ways of
thinking and methods in social work. Another barrier is related to administrative issues. Enterprises and
employers often complain that the different public schemes are too complicated and demand too much
administrative work and that there are too many public authorities and persons here wanting to involve
enterprises. From the enterprises’ point of view this is confusing and time consuming.

Among the parties represented in The Local Coordination Committees the rather low activity from the
doctors side have been seen as a problem. To promote the active cooperation of this group provisions
have been made for some sort of remuneration of representatives from The Organisation of General
Practitioners in Denmark (PLO).

Some qualitative studies at enterprise level of the flexjob scheme have been published. The most recent
one (Hohnen 2000) collected data before some significant changes in the scheme to ensure the labour
market rights of the flexjobbers. In spite of that the investigation shows that generally the flexjobbers are
glad to be active. Compared to the alternatives a flexjob is generally an improvement also in income
terms. Seen from the employer side there also seems to be satisfaction with the concrete experiences
with flexjobs. However, the study shows that the flexjobber’s status may be unclear because a flexjob
by definition is a mix between a social measure and an ordinary job. Contrary to what is normally the
case for employees the flexjobber receives a higher wage than corresponding to his/her work
contribution, cf. the wage subsidy of most often half of the minimum wage (the employer’s part of the
wage payment is assumed to equal the value of the flexjobber’s work). In principle, the flexjobber gets
the job because of “reduced working capacity” and not because of qualifications. The flexjobber may
thus feel that the flexjob is some sort of “gift” and the flexjobber may feel “uneasy” about being on “a
scheme”. In some ways this is similar to the negative psychological consequences unemployment.
Consequently, some flexjobbers try to hide that they are in fact in a flexjob and try to present
themselves as “normal” in terms of work effort and flexibility. The consequence may in some cases be
that the flexjob is actually not as “protective” as the legislation intends. In our opinion it is important,
especially for management in enterprises with flexjobbers, to be aware of the potential problems. To
some extent management (and other employees) may be able to prevent or alleviate the problems, which
may also be expected to become less as the number of flexjobs increases.
4. Some Viewpoints in Current Debate.

In 1994 and in the following years the concept of “social responsibility of enterprises” was in the Danish debate used primarily (but not exclusively) in a social policy context whereas internationally the concept CSR (corporate social responsibility) has a much broader content, cf. for example the recent Green Paper on CSR from The European Commission (Commission of the European Communities 2001). To a considerably extent the Minister of Social Affairs had set the agenda. In recent years there are signs that the concept of social responsibility of enterprises is becoming wider whereas in a social and labour market policy context the concept seems more and more to have been subordinated to the vision of the inclusive labour market.

One indicator of the broadening of the concept is a report from a working group with representatives from 8 ministries7 and headed by The Ministry of Industry. The report was published last year and the title was “The societal responsibility of business” (Erhvervslivets samfundsmæssige ansvar, 2000). A number of issues were taken up in the report including environmental responsibility, social responsibility (including working environment), business responsibility in connection with new technology and methods to document responsibility of business. The report was a catalogue of ideas worked out in connection with the Government's strategy on industrial policy.

Another indicator is that The Confederation of Danish Trade Unions (LO) has recently issued a comprehensive position paper on “Corporate Social Responsibility” (Landsorganisationen 2001a and 2001b). The LO conceives the responsibility of the workplace in a very broad sense - as “corporate social responsibility” (CSR). According to LO the workplace has six areas of responsibility: 1) Financial contribution society (salaries, taxes, sponsorships, grants to charitable funds), 2) Employees’ conditions and development (developing work, training/education, working conditions, terms of employment), 3) Sustainable competitiveness (e.g. earnings for investors, long-term survival of the company), 4) Social security and equal treatment (room for all types of employees irrespective of e.g. gender and ethnic background or handicaps), 5) Sustainable environment, 6) Good products and services. - CSR should, according to the LO, be promoted by a wide range of mechanisms including dialogue, market incentives, labour market agreements and legislation, conventions and guidelines.

Already in 1983 The Danish Employers’ Confederation (DA) issued a little pamphlet with the title “The Enterprise’s Social Responsibility” (Dansk Arbejdsgiverforening 1983) discussing the extent of employers’ responsibility in the social area. However the concept of social responsibility of enterprises did not become widely used at that time. From the employers point of view a fundamental point of departure is the competitiveness of the enterprises. Therefore the DA opposes any changes that impose economic burdens on enterprises thereby setting Danish companies back compared to competitors in other countries. DA prefers self-regulation as a principle for business. The employer side does not oppose standards for e.g. working environment in itself but such standards may distort competition if they are only national (i.e. Danish). Therefore standards for CSR should be international and it should be optional for companies to use them.

Concerning the policy on social responsibility of enterprises in the context of the inclusive labour market there are in many of the most important areas broad consensus between the social partners (unions and employers) and at the political level (in Parliament).

The attitudes of the social partners (LO and DA) towards the campaign to increase social responsibility of enterprises are positive. They agree with the overall goals of the campaign and they share the view

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that the best way to realise the inclusive labour market is via voluntary efforts on the part of employers, unions and workplaces. Thus, both the union and the employer side reject compulsory quota schemes. In March 2000 DA and LO have in co-operation listed a number common viewpoints and themes for further development of joint action to promote a more inclusive labour market (Landsorganisationen i Danmark og Dansk Arbejdsgiverforening 2000). Both sides support the general policy on the inclusive labour market. For example, both unions and employers actively back the work in the Local Coordination Committees, jobs on special terms and the creation of new job exchange centres affiliated with the local authorities (cf. section 2.4 above). And both sides back the recent reform of the anticipatory pension scheme. However, whereas LO is positive towards social clauses and the Social Index, DA’s attitude towards these instruments is quite negative.

On the political scene there is a rather broad consensus on the vision about the inclusive labour market and that it is desirable to decrease the number of persons on public income transfers. Many of the reforms in recent years (e.g. the reform of anticipatory pension) have been adopted in Parliament by a large majority of the votes. However, there are divergences. One area of divergence concerns the labour market rights of persons employed in subsidised jobs on special terms. Leftist parties and unions were for a long time critical of some aspects of the flexjob scheme because the flexjobbers at the outset did not have the same labour market rights (in particular unemployment insurance and right to go into the early retirement wage scheme) as members of unemployment insurance funds. The recent amendments to the flexjob scheme took a number of these criticisms into account. A related issue concerns the requirements from the authorities towards disadvantaged groups. Leftist parties, some social workers and others have been critical towards what they term “forced activation” or “forced activity”. One issue has been the extent to which persons in the target groups for activation, rehabilitation or flexjobs are in fact able to work as assumed in legislation. The question is posed whether the active line has in some cases been driven too far. Case stories on sick persons who have been “forced” into some activity with adverse consequences for the persons have been reported in the media. These appear to be quite unrepresentative, however.

5. Concluding Remarks.
In an evaluation of a policy one would ideally prefer to calculate the costs of the policy and assess its impacts to determine its overall cost-effectiveness. The ultimate objectives of the policy to increase social responsibility of enterprises are to reduce the number of persons on passive income transfers and to increase employment. These indicators have been described above for the period of 1994-2000. However, it is difficult to establish a direct causal link between the policy and these two indicators which are influenced by many factors of which the policy to increase the social responsibility of enterprises is only one. Therefore it is not easy to assess the ultimate impacts of the overall policy, and no evaluations have been made. A government report from April 2001 (Arbejdsmisteriet m.fl 2001) discusses the need to establish indicators to assess the inclusiveness of the labour market. According to the report it is not possible to distinguish the impacts of the policy to promote an inclusive labour market from the impacts of the general social and labour market policy. Therefore, the indicators to be established “must aim at assessing the total impacts of the policies”.

As mentioned, the policy to increase the social responsibility of enterprises includes several and very diverse instruments. In principle, it may in some cases be easier to assess the impacts and the cost-effectiveness of a certain type of instrument than of the overall policy. For example, one might evaluate the impact of a project on work retention financed by the Enterprise Pool (cf. above). Some specific evaluations of such types have been made, and they often show positive results in the sense that a given project has resulted in desirable consequences (e.g. increased probability of retaining long-term
sick persons in employment). However, the activities in projects are most often not undertaken generally in the country meaning that it is difficult to conclude from projects to overall impacts.

One direct aim (instrument) of the policy has been to change norms and cognitions (attitudes and knowledge) of enterprises, cf. the campaign to increase social responsibility of enterprises. The assumption behind the campaign is that it is in fact possible to influence the behaviour of enterprises in this way or in other words that the behaviour of enterprises is not only determined by economic considerations in a narrow sense. Sociological theory would agree that this assumption is, under certain conditions, correct. Another instrument of the policy has been to influence enterprises via economic incentives (e.g. wage subsidies), which of course is consistent with economic theory. The third type of instrument has been to influence enterprises more indirectly via changes in the public authorities’ efforts and administration within social policy. For example, employers are represented in the new Local Coordination Committees and have thus become involved in social policy. We think it correct to say that political science theory would argue that such instruments might change enterprises’ outlook and ultimately their behaviour.

Thus, one can say that there are theoretical reasons that the policy to increase social responsibility of enterprises may have an impact. However, it is an empirical question how much and in which ways. On this we do not know enough today.

As mentioned, in our opinion there is no doubt that the campaign and the policy in general has contributed to changes in cognitions and attitudes favourable to enterprises’ social responsibility. However, no data exist as to how widespread the changes might be and how they may have influenced enterprise behaviour (integration, retention and prevention). A new campaign on the inclusive labour market is to run in 2001-2002 (cf. section 2.4.1). Thus, the assumption that campaigns may influence enterprise behaviour is still embedded in the policy. Compared to the first years after 1994, where the campaign instrument dominated, qualitatively new measures are also applied in the policy today.

First, instruments using economic incentives to influence enterprises have become more pronounced, cf. the flexjob and protected job schemes from 1998 and the social clauses from 2000. In principle, for example, social clauses could have been introduced in 1994 but they were not. Thus one may say that the assumptions behind the policy to increase social responsibility of enterprises have changed: Attempts to influence enterprises via marketing activities and the like is not enough - economic incentives must play a role also. This cognitive change may be seen as a result of a policy learning process. It seems that economic incentives to some extent work, cf. the increase in the number of flexjobs.

Second, legislation implied that from 1999 employers (and unions and others) were given a new role in social policy, cf. the establishment of the Local Coordination Committees and The Council Responsible for Social Initiatives on the Inclusive Labour Market. One may see these new formal bodies as an expression of a further cognitive change at political level: If the political wish is that enterprises voluntarily contribute more to policy goal-attainment it is preferable to give enterprises (the employers’ organisations) a formal statutory role in the formulation and implementation of public policies – marketing activities and direct economic incentives are not enough.

Third, a general trend in the administration of social policy has been changes to make the efforts in the local authorities more directed at enterprises. A precondition for increased social responsibility on the part of enterprises is often that efforts are undertaken in cooperation with local authorities. From the outset in 1994 the partnership approach played an important role in launching the campaign. In a partnership there are at least two sides. In recent years increasing weight has been placed on the local
authority side. This may be seen as a sign of a strengthening of the following assumption behind the policy: If enterprises are to become more socially responsible it is necessary also for social workers and administrators in local authorities to change attitudes, outlook and work methods.

Enterprises, employees, social partners, public authorities and the political level may be seen as elements of a complex system including a large number of interdependent parts. Change in one part of such a system often leads to or requires changes in other parts. From the development of the policy in Denmark in 1994-2001 one may conclude that one lesson learned is that to increase enterprises’ social responsibility it is important that public policy does not focus on the enterprises themselves only but also on the broader system of which the enterprises are a part.
## Appendix 1: Governments and Ministers.

<table>
<thead>
<tr>
<th>Prime Minister</th>
<th>Parties in Government</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>P. Schlüter</td>
<td>Conservative + different liberal parties</td>
<td>10.09.82 - 25.01.93</td>
</tr>
<tr>
<td>P. Nyrop Rasmussen</td>
<td>Social Democratic + 3 small liberal parties</td>
<td>25.01.93 - 27.09.94</td>
</tr>
<tr>
<td>P. Nyrop Rasmussen</td>
<td>Social Democratic + 2 small liberal parties</td>
<td>27.09.94 - 30.12.96</td>
</tr>
<tr>
<td>P. Nyrop Rasmussen</td>
<td>Social Democratic + 1 small liberal party</td>
<td>30.12.96 - 23.03.98</td>
</tr>
<tr>
<td>P. Nyrop Rasmussen</td>
<td>Social Democratic + 1 small liberal party</td>
<td>23.03.98 -</td>
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<tr>
<th>Minister of labour</th>
<th>Party</th>
<th>Period</th>
</tr>
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<tr>
<td>Jytte Andersen</td>
<td>Social Democratic</td>
<td>25.01.93 - 01.07.99</td>
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<tr>
<td>Ove Hygum</td>
<td>Social Democratic</td>
<td>01.07.99 -</td>
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<table>
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<tr>
<th>Min. of Social Affairs</th>
<th>Party</th>
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<td>Karen Jespersen</td>
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<td>Bente Juncker</td>
<td>Centre Democrat</td>
<td>28.01.94 - 11.02.94</td>
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<tr>
<td>Y. Herlev Andersen</td>
<td>Centre Democrat</td>
<td>11.02.94 – 27.09.94</td>
</tr>
<tr>
<td>Karen Jespersen</td>
<td>Social Democratic</td>
<td>27.09.94 - 23.02.00</td>
</tr>
<tr>
<td>H. Dam Kristensen</td>
<td>Social Democratic</td>
<td>23.02.00 -</td>
</tr>
</tbody>
</table>
Appendix 2: Employment and Activation.

Table 2.1: Employment and Unemployment 1994-2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total employment, 1000 persons</th>
<th>Growth in private sector employment, %</th>
<th>Unemployment, 1000 persons, average</th>
<th>Long-term unemp., 1000 persons, average</th>
<th>Rate of unemployment, %</th>
<th>Employment/population, 16-66 years, %</th>
<th>Employment/pop., 16-66 years, men, %</th>
<th>Employment/pop., 16-66 years, women, %</th>
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<tbody>
<tr>
<td>1994</td>
<td>2585</td>
<td>4.6</td>
<td>343</td>
<td>150</td>
<td>12.3</td>
<td>70.3</td>
<td>74.3</td>
<td>66.2</td>
</tr>
<tr>
<td>1995</td>
<td>2617</td>
<td>0.5</td>
<td>288</td>
<td>107</td>
<td>10.4</td>
<td>71.0</td>
<td>75.6</td>
<td>66.2</td>
</tr>
<tr>
<td>1996</td>
<td>2649</td>
<td>1.8</td>
<td>246</td>
<td>80</td>
<td>8.9</td>
<td>71.5</td>
<td>76.3</td>
<td>66.6</td>
</tr>
<tr>
<td>1997</td>
<td>2670</td>
<td>1.9</td>
<td>220</td>
<td>72</td>
<td>7.9</td>
<td>71.9</td>
<td>76.7</td>
<td>67.1</td>
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<tr>
<td>1998</td>
<td>2699</td>
<td>3.0</td>
<td>183</td>
<td>47</td>
<td>6.6</td>
<td>72.8</td>
<td>77.4</td>
<td>68.0</td>
</tr>
<tr>
<td>1999</td>
<td>2747</td>
<td>1.0</td>
<td>158</td>
<td>34</td>
<td>5.7</td>
<td>73.9</td>
<td>78.1</td>
<td>69.5</td>
</tr>
<tr>
<td>2000</td>
<td>2759</td>
<td>1.0</td>
<td>151</td>
<td>35</td>
<td>5.4</td>
<td>74.2</td>
<td>78.2</td>
<td>70.2</td>
</tr>
</tbody>
</table>

Note: (1) For 1994-99 the source is Danmarks Statistik (2000). For 2000 the source is the online databank of Danmarks Statistik (www.dst.dk). The figures indicate: the total number of employed persons (in 1000s) in November of the year before, according to the convention of Danmarks Statistik. (2) The source is the online databank of Danmarks Statistik. The figures indicate the growth in private sector wage earner employment (except personal services) in per cent from the quarter in the year to the same quarter of the following year. For example the 4.6 under 1994 means that wage earner employment in the private sector increased by 4.6 per cent from 1st quarter 1994 to 1st quarter 1995. (3-5): The source is Danmarks Statistik (2001). Long-term unemployed are defined as persons having been unemployed for more than 80 per cent of the year. The number of long-term unemployed is measured in full-time equivalents (i.e. averages). (6-8): The sources are the same as under (1).

Table 2.2: Activation 1995 – 2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Activation, PES, 1000 persons, average</th>
<th>Rate of activation, PES, %</th>
<th>Activation, local auth., 1000 persons, average</th>
<th>Rate of activation, local authorities, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>44.6</td>
<td>15</td>
<td>26.5</td>
<td>19</td>
</tr>
<tr>
<td>1996</td>
<td>45.7</td>
<td>18</td>
<td>28.3</td>
<td>20</td>
</tr>
<tr>
<td>1997</td>
<td>47.5</td>
<td>20</td>
<td>28.7</td>
<td>20</td>
</tr>
<tr>
<td>1998</td>
<td>46.5</td>
<td>23</td>
<td>31.0</td>
<td>23</td>
</tr>
<tr>
<td>1999</td>
<td>54.6</td>
<td>29</td>
<td>32.5</td>
<td>24</td>
</tr>
<tr>
<td>2000</td>
<td>44.9</td>
<td>26</td>
<td>32.6</td>
<td>25</td>
</tr>
</tbody>
</table>

Note: (1) The figures indicate the average number of persons activated by PES (= Public Employment Service), cf. the statistics on Danish labour market measures (Danmarks Statistik). (2) The figures are computed as: The average number of persons activated by PES as a percentage of this number plus the average number of insured unemployed persons. (Insured unemployed people are “handled”, for example activated, by PES). (3) The figures indicate the average number of persons activated by local authorities, cf. the statistics on Danish labour market measures (Danmarks Statistik). (4): The figures are computed as: The average number of persons activated by local authorities as a percentage of this number plus the number of non-activated recipients of social assistance (the local authorities “handle”, e.g. activate, recipients of social assistance). – The figures in lines 2 and 4 is thus a sort of mechanical indicator of the extent of activation in relation to the number of persons who might be activated. The rate of activation must always be rather low because (according to legislation) persons are first to be activated after a certain period with unemployment/social assistance.
Appendix 3: Recipients of Public Income Transfers.


<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment benefit</td>
<td>266</td>
<td>233</td>
<td>196</td>
<td>173</td>
<td>146</td>
<td>126</td>
</tr>
<tr>
<td>Activation – PES</td>
<td>30</td>
<td>22</td>
<td>26</td>
<td>30</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Leave schemes</td>
<td>51</td>
<td>80</td>
<td>63</td>
<td>44</td>
<td>37</td>
<td>32</td>
</tr>
<tr>
<td>Sickness benefit</td>
<td>39</td>
<td>43</td>
<td>48</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Maternity benefit</td>
<td>35</td>
<td>36</td>
<td>35</td>
<td>36</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>Social assistance</td>
<td>124</td>
<td>103</td>
<td>99</td>
<td>97</td>
<td>92</td>
<td>87</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>20</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Activation – Local Authorities</td>
<td>33</td>
<td>39</td>
<td>41</td>
<td>41</td>
<td>42</td>
<td>45</td>
</tr>
<tr>
<td>Early retirement wage + trans.allow.</td>
<td>119</td>
<td>138</td>
<td>167</td>
<td>171</td>
<td>186</td>
<td>180</td>
</tr>
<tr>
<td>Anticipatory pension</td>
<td>266</td>
<td>273</td>
<td>270</td>
<td>274</td>
<td>273</td>
<td>270</td>
</tr>
<tr>
<td>Total</td>
<td>979</td>
<td>982</td>
<td>963</td>
<td>936</td>
<td>906</td>
<td>880</td>
</tr>
</tbody>
</table>

Note: The source is Socialministeriet (2000b). The following categories are not included in the table: 1) Members of unemployment insurance funds activated in wage subsidised jobs, 2) Persons under rehabilitation in work with a wage subsidy. From July 1998 the category “Rehabilitation” includes persons under “pre-rehabilitation” with social assistance. Before July 1998 this category was included under “Social Assistance”. The numbers in the table are not completely comparable to the numbers in table 3.2. The number of persons on early retirement wage + transitional allowance in 1998 is presumably not 186,000 as indicated but 176,000.

Table 3.2: Recipients of Public Income Transfers. 1000 persons. 16-66 years. Averages.

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unemployed, unemploy. benefit</td>
<td>279</td>
<td>238</td>
<td>204</td>
<td>183</td>
<td>148</td>
<td>127</td>
<td>125</td>
<td>-55</td>
</tr>
<tr>
<td>2. Unemployed, soc. ass.</td>
<td>65</td>
<td>51</td>
<td>42</td>
<td>37</td>
<td>34</td>
<td>31</td>
<td>26</td>
<td>-60</td>
</tr>
<tr>
<td>3. Unemployed, total (1+2)</td>
<td>344</td>
<td>289</td>
<td>246</td>
<td>220</td>
<td>182</td>
<td>158</td>
<td>150</td>
<td>-56</td>
</tr>
<tr>
<td>4. Leave schemes</td>
<td>49</td>
<td>77</td>
<td>58</td>
<td>43</td>
<td>40</td>
<td>32</td>
<td>24</td>
<td>-51</td>
</tr>
<tr>
<td>5. Activation, training</td>
<td>22</td>
<td>16</td>
<td>22</td>
<td>23</td>
<td>26</td>
<td>38</td>
<td>38</td>
<td>+72</td>
</tr>
<tr>
<td>6. Other activation outside lab. force</td>
<td>10</td>
<td>15</td>
<td>17</td>
<td>18</td>
<td>20</td>
<td>23</td>
<td>25</td>
<td>+50</td>
</tr>
<tr>
<td>7. Maternity benefit</td>
<td>35</td>
<td>36</td>
<td>35</td>
<td>36</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>8. Sickness benefit</td>
<td>39</td>
<td>43</td>
<td>48</td>
<td>50</td>
<td>50</td>
<td>49</td>
<td>53</td>
<td>+36</td>
</tr>
<tr>
<td>9. Soc. ass., not unemployed</td>
<td>74</td>
<td>65</td>
<td>69</td>
<td>71</td>
<td>69</td>
<td>63</td>
<td>73</td>
<td>-1</td>
</tr>
<tr>
<td>10. Rehabilitation</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>20</td>
<td>22</td>
<td>28</td>
<td>27</td>
<td>+69</td>
</tr>
<tr>
<td>11. Temp not in lab. force (sum 4-10)</td>
<td>245</td>
<td>269</td>
<td>267</td>
<td>261</td>
<td>262</td>
<td>268</td>
<td>275</td>
<td>+12</td>
</tr>
<tr>
<td>12. Transitional allowance</td>
<td>8</td>
<td>23</td>
<td>46</td>
<td>42</td>
<td>36</td>
<td>30</td>
<td>25</td>
<td>+250</td>
</tr>
<tr>
<td>13. Early retirement wage</td>
<td>111</td>
<td>115</td>
<td>121</td>
<td>129</td>
<td>141</td>
<td>150</td>
<td>156</td>
<td>+41</td>
</tr>
<tr>
<td>15. Part time pension</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>-50</td>
</tr>
<tr>
<td>16. Retirement (12+13+14+15)</td>
<td>392</td>
<td>414</td>
<td>444</td>
<td>449</td>
<td>454</td>
<td>453</td>
<td>449</td>
<td>+15</td>
</tr>
<tr>
<td>17. Total (3+11+16)</td>
<td>981</td>
<td>972</td>
<td>957</td>
<td>930</td>
<td>898</td>
<td>879</td>
<td>874</td>
<td>-11</td>
</tr>
<tr>
<td>18. Activation, subsidised employm.</td>
<td>52</td>
<td>40</td>
<td>35</td>
<td>35</td>
<td>31</td>
<td>25</td>
<td>21</td>
<td>-60</td>
</tr>
</tbody>
</table>

Note: The source is The Ministry of Finance (personal communication). The numbers in the table are not completely comparable to the numbers in table 3.1. Due to rounding the totals in the table may not precisely equal the sums of the indicated numbers. Category 6 includes individual job-training. Category 18 includes job-training (incl. pool jobs) and activation with a subsidy in self-employment.
Appendix 4: Wage Subsidised Employment


<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job-training (incl. pool job)</td>
<td>36.6</td>
<td>26.1</td>
<td>22.5</td>
<td>23.5</td>
<td>22.7</td>
<td>21.8</td>
<td>18.4</td>
</tr>
<tr>
<td>2. Individual job-training</td>
<td>7.4</td>
<td>10.9</td>
<td>13.3</td>
<td>14.0</td>
<td>15.2</td>
<td>16.6</td>
<td>15.7</td>
</tr>
<tr>
<td>3. Work rehabilitation</td>
<td>4.4</td>
<td>4.1</td>
<td>4.2</td>
<td>3.9</td>
<td>3.5</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>4. Flexjob</td>
<td></td>
<td></td>
<td>2.1</td>
<td>2.3</td>
<td>2.8</td>
<td>5.0</td>
<td>9.9</td>
</tr>
<tr>
<td>5. Protected job</td>
<td>3.7</td>
<td>4.3</td>
<td>5.1</td>
<td>5.3</td>
<td>5.3</td>
<td>5.4</td>
<td></td>
</tr>
</tbody>
</table>


Table 4.2: Wage Subsidies, Private Sector as a Percentage of Total Employment with subsidy.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job-training (incl. pool job)</td>
<td>41</td>
<td>36</td>
<td>32</td>
<td>23</td>
<td>25</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>2. Individual job-training</td>
<td>13</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>3. Flexjob</td>
<td></td>
<td></td>
<td>43</td>
<td>48</td>
<td>50</td>
<td>51</td>
<td>45</td>
</tr>
<tr>
<td>4. Protected job</td>
<td>33</td>
<td>38</td>
<td>40</td>
<td>42</td>
<td>42</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

Note: The figures indicate the number of persons employed with a certain type of wage subsidy in the private sector as a percentage of the total number of persons employed with this type of wage subsidy in both the private and the public sector. The source is the statistics on labour market measures from Danmarks Statistik and Socialministeriet (2000d). Lines 1-2 are based on averages. Lines 3-4 concern January 1996 (1996), January 1997 (1997), January 1998 (1998), February 1999 (1999) and 3th quarter 2000 (2000). The decrease in the numbers in line 1 from 1995 to 1997 is predominantly due to the introduction of the pool job scheme (which only applied to the public sector) in 1996. Correspondingly the increase in the numbers in line 1 from 1999 to 2000 is due to the abolition of the pool job scheme from 2000.
Appendix 5: The Enterprise Pool.


<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private enterprise (business)</td>
<td>13</td>
<td>25</td>
<td>35</td>
<td>32</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Public enterprise</td>
<td>0</td>
<td>8</td>
<td>12</td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Municipal or county authority</td>
<td>66</td>
<td>44</td>
<td>37</td>
<td>34</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Private institution/org.</td>
<td>21</td>
<td>23</td>
<td>16</td>
<td>31</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Number of recipients</strong></td>
<td>39</td>
<td>64</td>
<td>43</td>
<td>68</td>
<td>95</td>
<td>309</td>
</tr>
<tr>
<td><strong>Total amount: Millions DKK</strong></td>
<td>11</td>
<td>27</td>
<td>26</td>
<td>27</td>
<td>40</td>
<td>131</td>
</tr>
</tbody>
</table>

Note: The figures for 1999 cover projects decided upon in 1999 and include grants for 1999 and 2000. The figures for the 1995-98 include only 1-year grants. In each of the years 1995-1999 there was one round in which applications could be submitted to The Ministry of Social Affairs. In 2000 there was no application round. Some recipients may have received grants for a given project in more than one year. Therefore, the total number of individual recipients (= projects) is lower than indicated in the last column in the table.


Table 5.2: Grants from the Enterprise Pool according to Theme. 1995-99. Per cent.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Retention in work</td>
<td>36</td>
<td>33</td>
<td>26</td>
<td>24</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2. Integration</td>
<td>36</td>
<td>30</td>
<td>37</td>
<td>43</td>
<td>38</td>
<td>37</td>
</tr>
<tr>
<td>3. Personnel policy with a social dimension</td>
<td>8</td>
<td>17</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>4. Special groups</td>
<td>8</td>
<td>11</td>
<td>9</td>
<td>1</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>5. Exchange of experience, information</td>
<td>0</td>
<td>3</td>
<td>9</td>
<td>7</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>6. Other</td>
<td>13</td>
<td>6</td>
<td>2</td>
<td>9</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>101</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td>101</td>
<td>100</td>
</tr>
<tr>
<td><strong>Percentage base</strong></td>
<td>39</td>
<td>64</td>
<td>43</td>
<td>68</td>
<td>168</td>
<td>382</td>
</tr>
</tbody>
</table>

Note: The percentage base is the number of grants (1995-98) or the number of themes in the grants (1999). For this reason and because many projects concern more than one theme, the table should only be seen as a rough indicative illustration of the themes in the projects. Category 3 includes also projects concerned with social accounting. Category 4 includes projects dealing with seniors in the labour market and projects concerned with mentally ill or mentally disabled persons. Category 6 includes among other things projects concerned in general with development of an inclusive labour market. See also note to table 1.

Source: See table 5.1.
Appendix 6: Reform of the Anticipatory Pension Scheme.

The target group for anticipatory pension is persons in the age group 18-64 whose earning capacity is permanently reduced. There are in the present system four types (levels) of anticipatory pension awarded by the local authority (municipality) on the basis of a number of criteria of which the most important is the degree to which a person’s vocational ability is permanently reduced (cf. the Act on Social Pensions). As of January 1st 2003 a reform of anticipatory pension comes into force. The reform was adopted by Parliament in April 2001. With some exceptions there is a broad political consensus on the reform. One of the basic aims of the reform is to make social policy more active i.e. to give a higher priority to “active solutions” rather than “passive income transfers”. The reform should be seen in connection with other parts of social legislation in particular those concerning flexjob (The Act on Active Social Policy). A general objective in a number of changes in social legislation in recent years has been to increase employment and reduce the number of persons on passive income transfer e.g. anticipatory pension. The most important changes implied in the reform of anticipatory pension in particular in relation to this objective are the following.

In the present legislation and practice a person’s lack of vocational ability (earning ability) is the basis for decisions on awarding anticipatory pension. Somewhat simplified one can say that the present system fosters an orientation where the focus is on a persons’ deficiencies, illnesses, defects, disadvantages or disabilities i.e. what a person is not able to do (cf. the concept of “degree of loss of earning ability”). In the future the focus will be on the persons’ working ability, i.e. on the potentials of the persons rather than “non-abilities”. If a person is able to function either in an ordinary job or in a job on special terms (a flexjob) the person will not be entitled to anticipatory pension. If the person cannot function in an ordinary job the person will be entitled to a flexjob. The general idea is that all possible types of active measures (e.g. also work rehabilitation aiming at a flexjob) should be tried before anticipatory pension (passive income transfer) is awarded. Compared to present legislation an important change is that a persons’ working ability is not only considered in relation to ordinary employment but also in relation to publicly supported employment (in particular flexjobs) and employment according to social chapters where the job-requirements are lower. Therefore it is expected that the reform will result in a reduced inflow into anticipatory pension and an increased inflow into flexjobs. A successful implementation of the reform presupposes that the local authorities are in fact able to find a sufficient number of flexjobs in private and/or public enterprises. Therefore, full implementation of the reform assumes that public and private enterprises are willing to establish those kind of new jobs as legislation does not require or force them to do so. Thus the reform of anticipatory pension is intended to promote an inclusive labour market.

Due to the changes in the basis for awarding anticipatory pensions the reform implies other methods in social casework in local authorities. This is explicitly emphasised in the new legislation and it is of great importance. The new methods to be applied will strengthen the labour market orientation of social casework in general and is also intended to ensure legal protection of citizens. To facilitate implementation of new methods a comprehensive training programme for social workers in local authorities will be undertaken before 2003. DKK 60m is allocated to this training programme.

The reform of anticipatory pension also implies other important changes. Among other things only one type (level) of pension will exist for new pensioners after January 1st 2003. The level (for a single person) will correspond to unemployment benefit.
References and Sources


