Being young and precarious in Denmark

MAKING INDUSTRIAL RELATIONS WORK
FOR DECENT WORK
BRIEFING ON THE SITUATION IN DENMARK
Introduction
Unemployment and precarious work

The economic and financial crisis has had an impact on employment rates in all European countries. Over 23 million people are unemployed in the EU and almost a quarter of them are young people under 25 years of age1.

Youth unemployment was almost non-existent in Denmark for years, but according to Eurostat it is now almost 15 per cent for young people aged between 15 and 242. National statistics show similar results3.

Although the numbers are not as alarming as for some other EU countries, the focus on youth is greater than ever. Before the government elections in September 2011 a representative survey4 showed that Danes prioritised youth unemployment as the most important task for a new government (30 per cent). The second most important task identified was providing vocational training for students (17.2 per cent).

There is clearly a strong focus on youth (un)employment and education therefore. Education and employment have always been interlinked in Denmark, which is why the labour market cannot be discussed as an area detached from the education system. The current situation - where unemployment is high for all age groups and where the young lack training opportunities - has an important impact on both the labour market and the education system.

In addition to unemployment, there has been a lot of media coverage of a series of recent cases of indecent/precarious work concerning young people. Labour market experts have argued that the current crisis contributes to precarious working conditions for youth5: “It’s more or less lawlessness that prevails. Employers are in a position of power over the young, and they surely use that power. We know that young people are queuing to get into the labour market, and then they are pressured beyond all decency,” labour market expert Flemming Ibsen6 explained to the media.

His opinion is backed by several other experts. In an interview with FIC, Mette Pless, a Ph.D. researcher from CEFU (The Danish Centre for Youth Research) also used the recent cases of precarious work to make a point that a reference to the crisis is no excuse for indecent working conditions for the young workers. According to CEFUs research the crisis has made it a privilege to even have a job and that is one of the reasons why young people put up with precarious work.

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4 Conducted by Analyse Danmark: http://www.analysedanmark.dk/arkiv
5 Flemming Ibsen quote in the press: http://politiken.dk/erhverv/EC149750/forsker-om-unges-arbejdsforhold-lovloesheden-hersker/
6 Flemming Ibsen was unavailable for an interview at the time of this study.
Overview
The vulnerability of youth

In spite of the recent massive media coverage on indecent/precarious work among youth it must be made clear that “precarious work” is a phrase seldom used in Denmark. A recent study conducted by FAOS’ describes in detail the various types of employment which by definition might fall into a “precarious” category, but which are not considered as precarious in the Danish context.

Part-time work, fixed-term work and temporary agency work are not considered precarious per se. In order to fit into the “precarious” category these jobs need to be: 1) involuntary, 2) have too few working hours in order to secure eligibility for different social schemes or 3) on a contract that is for such a short period that it affects employees’ eligibility to social benefits and employment security.

Young workers usually do fall into one of the categories above, but the main “precariousness” among youth is connected to health and safety issues. The Research Programme for the Working Environment states that every third work-related accident occurs among young workers. The Programme has therefore developed a number of campaigns in order to raise awareness about health and safety at work among youth together with the Ministry of Employment and other national labour market authorities.

The cases that have been reported in the media lately show that it is not only health and safety issues that youth are unaware of, but also their rights regarding working time (including overtime), sick leave, pension rights etc. The employers blame the parents and teachers, the unions blame the employers and the parents and the experts blame society. One thing has been proved right though: that there are many more of these cases and they are hard to uncover unless young workers involve their parents and the trade unions.

The exposure of these recent cases has pressured the employers concerned to sign collective agreements [see Agnes Cupcakes and Joe & The Juice cases] and the unions have established task forces to prevent work-related exploitation of young workers.

Most of the issues regarding work-related conditions for youth are described in the annual Job Patrol reports. Job Patrol is a task force that has been monitoring wages, working conditions and the working environment for young workers below 18 for more than 30 years. Job Patrol was established by the Danish Confederation of Trade Unions (LO) and since January 2012 it is being run by LO’s two largest member unions HK and United Federation of Danish Workers (3F). It is actually the reports from Job Patrol that have revealed that almost one third of employers do not comply with formal regulations. As noted in the FAOS’ report (see note 8): “The reason why youth employment as such is included as precarious work in this country report is the very widespread non-compliance with formal regulations found by Job Patrol.”

Another type of precariousness that relates to the three job types mentioned above is connected to young people’s eligibility for social/unemployment benefits. The young unemployed are covered by different benefit schemes depending on their connection to either the labour market or the education system. Their income therefore varies greatly depending if they are insured in an unemployment fund or not, if they have had previous work or not and if they have or have not completed their education.

Youth under 25 have a right and a duty to begin some sort of activity (courses, education etc.) for a minimum period of six months no later than 13 weeks after registering as unemployed, in order to be eligible for unemployment/social benefits. It is the job centres or the municipality that arranges different courses and programmes for the unemployed. The courses are obligatory and their purpose is of course to get the young workers back onto the labour market, but since education is the number one priority, efforts will usually focus on educational activities for youth who have not completed their education previously.
Both insured and uninsured youths must be available for the labour market at all times, even if they are following programmes arranged by the job centre or the municipality. The young unemployed must confirm their unemployment to the job centre once a week.

There is a major focus on the young unemployed and their education. The new government has set a target for 2015 - that 95 percent of young people complete their education. Currently, 80 percent complete their education while 20 percent enter the labour market directly20.

**Working conditions**

**Precariousness, flexicurity and the need for skills**

In this project, the focus is on youth between 15 and 24 years of age. As we have already argued there are cases of precarious employment within this group. Recent cases of suspicious contracts concerning young workers have triggered an important debate about the working conditions of youth. Experts have argued that the economic crisis has contributed to lawlessness when it comes to youth work (see note 5). Further, it should be stressed that, in the Danish context uneducated young people are more exposed to a precarious working life than any other group21.

**Uneducated/unskilled young workers more exposed to precarious work**

Peter Amstrup, who is a General Manager at one the largest vocational training centres, EUC Vest, and chairman of the Danish vocational training institutes, explained in an interview with FIC that unskilled workers are highly exposed to insecurity during a crisis: “The prognosis shows that Denmark will need less unskilled workers; therefore we must consider how to help those who are least equipped to complete their education.”

FIC has conducted interviews with representatives from employers’ organisations, trade unions, experts and vocational training institutes and there is one thing they all stress: one of the current challenges is to secure training opportunities for young people who are in vocational training schools. In order to complete a vocational training course students must gain practical on-the-job training, but there has been a shortage of thousands of practical training places for years. Lack of practical training often leads to students dropping out of their vocational training.

Klaus Rosenkrands Olsen, a Chief Consultant from the Confederation of Danish Industry (employers’ organisation) stressed that supply and demand on the labour market must match - and the reality is that employers demand highly skilled labour. Peter Amstrup added that the employers’ demands, and the fact that demographic changes will lead to more seniors and fewer youngsters, translate into a need for every young person to be trained/formally educated.

The prognosis shows that there will be a major need for both white collar and blue collar workers in the future22. While the demand for white collar workers seems almost natural (due to the fact that the initial education level is improving everywhere and that blue collar industry is being replaced by machinery or outsourced) the blue collar sectors expect a high oversupply in the blue collar work force by the year 2020. However, this oversupply is only relevant for unskilled blue collar workers23. Hence, there will be a need for more qualified and skilled blue collar workers, which is why the different stakeholders are arguing for the promotion of vocational training24.

The representatives that FIC has interviewed also argue that an early activation of the youngest group is crucial. If the youngsters fail to complete their education early, they are at the risk of not completing their education at all. The group that drops out due to the lack of practical training is therefore important to catch before they end up in the social security/unemployment benefit system. One third of all those who start a vocational training drop out because of a lack of training places. Poul Hansen, a consultant from 3F,
criticised the fact that the municipality of Copenhagen does not even have any records on 20 per cent of its youth. That means that nobody knows what 20 per cent of young people in the Copenhagen area are actually occupied with.

For the group of youngsters who wish to enter the labour market directly, or were unable to complete their vocational training, the odds of finding a job are quite bad. As mentioned, Denmark has not experienced considerable youth unemployment for years but the global crisis has created a difficult situation.

At the same time, Denmark is known for its flexicurity system. During a crisis like the current one, some groups (youth, migrant workers, persons with disabilities) are more exposed to the demands of flexibility without proportional security safe nets. One of the characteristics of the flexicurity system is that it is easy to hire and fire employees and when a company must lay off workers it is usually on the “last in, first out” principle. “This means that young people usually are the ones to be sacked first”, Poul Hansen told FIC in an interview, “but because of the dynamics of the labour market the situation usually changes and the companies need new employees fast.” Since the financial crisis was announced in 2008, the dynamics have turned into a more static situation where companies cannot afford new employees.

Instead, youth is offered temporary short-term jobs or similar solutions. The flexicurity system allows such forms of work to be predominant during an economic downturn. But when the economy improves, the employers need more manpower – and they will usually hire employees that demonstrate mobility rather than just good craftsmanship25. Therefore, it is more important that young workers are mobile and adaptive during a downturn. According to Eurobarometer, Danes are the most confident people in the EU when asked about the possibilities of finding a new job within six months, if they are to be laid off26. Some of this optimism is explained by the general faith in the flexicurity system27.

The numbers that concern Denmark are connected to the “sudden” reappearance of youth unemployment. Traditionally young people have always been urged to complete an education – which is still the case – but the lack of practical training places poses challenges to the usual way of combating youth unemployment through education.

**Job Patrol and recent cases of precarious work among youth**

Once a year the Job Patrol findings put working conditions for youth on the agenda. In practice, the Job Patrol’s officials conduct thousands of company visits during the summer when the demand for young workers is at its peak. They visited more than 10,000 companies last summer and conducted almost 2,500 interviews with young workers28.

The latest evaluation report revealed that more than one third (37 per cent) of young workers have not received the obligatory instructions on how to avoid work related accidents, one third lift heavier goods than they are allowed and 84 per cent of 13 to 14 year olds work more than the regulations prescribe29.

In total, 43 per cent of the visited companies did not comply with the formal regulations and these companies have been reported to the local trade unions30.

Since the summer of 2011 more and more cases of poor working conditions and suspicious contracts have reached the headlines. In the case of Agnes Cupcakes, the bakery had 250,000 Danish Kroners (34,000 Euros) fines written into the contracts with their young staff. The fines were supposed to be given to employees that disclosed recipes and other sensitive information about the company31.

The popular juice bar Joe & The Juice was also criticised for underpaying and misguiding its young staff in order to trick health authorities. As previously mentioned, both companies have now signed collective agreements.

Currently, the trade union HK is negotiating a collective agreement with Paradis Is (an ice cream parlour) which has been criticised for late working hours and sacking rounds during sick leave32.
Industrial relations
The need to organise youth

Denmark has a strong tradition of social dialogue where employers’ and employees’ organisations negotiate working conditions (including wages, working time etc.) without interference from the state. Many European labour markets are heavily regulated through legislation – this is not the case in Denmark. Any disputes between the employers and employees are therefore solved through negotiations between the two parties. Approximately 80 per cent of all Danish workers are members of a trade union. Collective agreements cover all employees, regardless of age.

However, young people are strongly underrepresented in trade unions. Trade unions argue that youth might lack a feeling of solidarity or even an understanding of the meaning of trade union membership. Trade unions are aware of this challenge and they are trying to attract more young members.

The consequence of not being a member of a trade union is usually that young people are not familiar with their rights, as the recent cases have shown. According to Job Patrol’s evaluation report 2011, over 42 per cent of young workers have never discussed their employment conditions with either parents or friends. One third of the interviewees did not know if their workplace was covered by a collective agreement and one third was not aware if they were being paid during sick leave. Besides the direct practical impact on young people’s working conditions, the lack of youth engagement in the trade unions can lead to a lack of representation. As described on the Ministry of Employments’ webpage: “Strong labour market organisations with a high membership rate are a precondition for a system based on the social partners’ self-regulation.” This means that the employers can argue that a trade union is not representative of the young employees and demand that the collective agreements should not be valid for them.

Hence young workers are covered by the general collective agreement and youth below 18 years of age are additionally covered by Order no. 239 regarding youth work. Most employees are also protected by The Employers’ and Salaried Employees’ Consolidation Act as a minimum. The Act stipulates some minimum rights and duties, which are usually the starting point for negotiations in collective agreements.

Recent focus on youth work has therefore not been about rules and regulations but about “compliance” with the existing rules and regulations. That is also the proclaimed purpose of the Job Patrol, that the Job Patrol is checking and informing employers and employees of the existing rights and rules on the labour market. A debate remains about who has the responsibility to teach young workers about the rules and rights on the labour market. As mentioned earlier, the responsibility “blame game” circles around whether it is the parents, the teachers, society, the unions, the employers etc.
**Good practice**

**Helping the low-skilled and the unemployed**

It is difficult to list specific practices that have helped since the economic crisis, because their impact might have been greater in circumstances where the economy was under less pressure. Most of those listed below have been targeted towards uneducated/non-skilled youth (who are more exposed to precarious work) and unemployed youth.

The focus on education has generally provided good results. Further prioritising of youth unemployment and practical training places by the new government provides hope for a brighter future. The government plans are backed by 60 million Danish Kroner to secure jobs and education for youth over next two years.

Some initiatives towards specific groups of young unemployed have been very successful. The Danish Agency for Science, Technology and Innovation developed a project that encourages SMEs to hire newly graduated academics. Based on the applications from the employers, the young academics would be matched with a number of small and medium-sized companies that do not have previous experience with academic employees. The young academics are usually contacted via job centres or unemployment funds. Young academics can also contact an employer themselves and ask if their company is interested in hiring them through this initiative. The company would receive refunds for the young academics’ wage for a few months and then the young academic would be hired on a regular basis. This initiative (called “Videnpilot”) is still quite popular but the funds usually cannot keep up with demand, because of its popularity.

On a regional basis, some municipalities have been successful in engaging companies to mentor the young unemployed. Usually the young unemployed would receive practical training in a company with supervision and help from another employee in the company. Other projects have matched young unemployed with employers in order to establish networks of good practices, job search etc.

The Capital Region of Denmark initiated a campaign at the beginning of 2010 where professional call-centre agents were hired to call employers directly and ask them to provide training places. The campaign lasted for six months, cost 270,000 Euros and led to 600 new training contracts. The campaign was considered a major success.

As part of the government programme to secure more training places, it has been agreed to introduce social clauses which would oblige companies that bid for public procurement in the construction industry to provide training places as well. Currently, a ministerial unit is discussing the final details in order to implement the clauses by summer 2012 or as soon as possible.

In general, most practices become good practice when the job centres or the municipalities can engage employers in activities aimed at the unemployed/non-skilled youth.

With regards to precarious work the Job Patrol is clearly an excellent initiative. As mentioned, it is the two largest trade unions, HK and 3F, that coordinate the Job Patrol. HK is also trying to create a new task force that would prevent the exploitation of young workers. The initiative has yet to be assessed but it might be a good supplement to the Job Patrol which only “patrols” during the summer.

Also, a series of successful initiatives have been taken by different stakeholders and authorities regarding health and safety at work. Among these is the creation of websites like www.sjaksnak.dk where young people are encouraged to share “bad day at work” stories in a humorous way. Other young colleagues can comment on the experiences and offer some advice on health and safety issues together with Working Environment Consultants who are available online.

Another creative way of testing the youths’ health and safety knowledge is an online game called “Erling The Lærling”. The game is connected to Facebook so youths can challenge their friends in a humorous feud over work related issues.
Conclusions

The link between jobs and education

Youth unemployment is a high priority in Denmark. One of the reasons is that uneducated/unskilled workers are more exposed to a precarious work. Another reason is that demographic change will increase demand for young labour and as Claus Rosenkrands Olsen, DI, mentioned, employers increasingly demand skilled labour.

Efforts are being made on the national, regional and local level to combat unemployment, but according to Poul Hansen, 3F, these initiatives are dependent on the “employers’ willingness to act in a socially responsible way in a time of financial crisis”.

Education and employment are inseparable in the Danish context. The social partners’ main focus therefore is on getting young people out of unemployment and into the education system, particularly for those young people without formal education or skills. The lack of practical training places poses a challenge that social partners are committed to solve. Educational activities and skills training for youth focus on initiatives that can help them back into the labour market.

It is clear that current legislation, rules and procedures on young people’s working conditions is sufficient, but that a larger degree of compliance with is needed. This is not to say that the rules are perfect, but the focus is on compliance and on raising the young workers’ awareness of their rights and duties on the labour market.

As a result of the lack of youth representation in trade unions, young people are unaware of their rights and duties. Recent cases have revealed that young workers tend to sign contracts which they do not fully understand – or as it is argued by CEFU, that having a job in a time of crisis is a privilege in itself and therefore young workers do not bother to question their working conditions.

Recommendations

Include the young unemployed in social dialogue

Times have changed, the labour dynamics are different and the challenges may be new for both the young and older workers. Trade unions, employers’ organisations and the national government all have a responsibility to organise, employ and include young people.

Continue collaborating with employers on initiatives for the young unemployed

This collaboration has proven to be very successful but we need more socially responsible employers that wish to focus on getting out of the crisis through growth and investment, rather than through lay-offs.

Focus on education and training as the key to (future) employment.

The employers must not save on internships and practical training. As Klaus Rosenkrands Olsen, DI, mentioned, the employers demand highly skilled labour which is why they should keep contributing to young peoples’ education.

Continue to raise awareness of health and safety for young workers.

Young workers account for a large number of work related accidents. At the same time, young workers must discuss and question their working conditions with their parents, teachers, (older) colleagues, friends, unions, employers and so forth. Society needs to know about young workers’ experiences in order to take measures that guarantee decent working conditions.