

Flexicurity and atypical employment in Denmark

by

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Abstract

Danish flexicurity has become a political celebrity in Europe (Jørgensen & Madsen 2007). The Danish case of flexicurity is often described as a certain state of affairs or a labour market model for the regular workforce (Bredgaard et. al 2006). So far the relationship between “atypical employment” and Danish flexicurity has not been well researched. This is probably due to the assumption that the incidence of “atypical” employment relationships is comparatively low, and already well-protected in Denmark. However, this is rather assumed than empirically demonstrated in the literature.

In this paper, we take the effort to investigate the relationship in some detail. We describe the incidence, development and regulation of part-time employment, fixed-term contracts, temp agency work and self-employment. Some 15 % of the workforce can be characterised as “atypical” workers, and about 25 % of the employed are in part-time jobs.

By reviewing the existing literature, we find that there is not much empirical evidence to support the assumption that atypical employment is becoming typical in Denmark. In fact, the proportion of self-employed and fixed-term contract workers has decreased slightly during the last decade, although the proportion of part-time workers has risen somewhat in recent years.

“Atypical” employment is often associated with less security, like inferior job security, poor working and wage conditions, less social security entitlements, restricted access to lifelong learning, and active labour market policies. In general, this does not seem to be the case in Denmark. The various types of “atypical” employment relationships are generally covered by the same collective agreements and legislation as permanent employees. It could therefore - in principle - be argued that Danish flexicurity for the regular workforce has also been extended to include “atypical” workers.

The comparatively low proportion of “atypical” employment relationships are usually explained with reference to the liberal employment protection legislation (EPL) in Denmark. Liberal EPL tends to increase the dynamics of the labour market, and seems to decrease the risk aversion of employers in hiring regular workers. This implies that the flexibility needs of employers in hiring and firing can be met by the regular workforce, and that employers do not need to resort to “atypical”

employment to create external-numerical flexibility.

The Danish case may, however, be taken as an example that the decision of employers to hire “atypical” workers is not only affected by the stringency of EPL for “regular” workers, but also by the level and character of social protection of “atypical” workers. If “atypical” workers are protected by the same legislation and collective agreements as ordinary workers, the incentives of employers to avoid regulations and restrictions by hiring “atypical” workers will – all things be equal – diminish. Hence, rather than easing employment protection legislation for regular workers, another viable European policy strategy is to “normalise atypical work” in order to reduce the increasing segmentation of labour markets that is occurring in a number of European countries. We, therefore, suggest that if the political objective is to maintain a secure and flexible labour market, the main challenge is to create “regulated” mobility and smooth transitions between various positions in and out of the labour market rather than “unregulated” mobility and dead-end jobs.

INTRODUCTION

Flexicurity – the contraction of flexibility and security – has in a remarkably short time become a political celebrity in its own right (Jørgensen/Madsen 2007). Furthermore, Denmark is currently the foremost real-life example of flexicurity. In the literature, Danish flexicurity is often described as a general model for the “ordinary” (or typical) labour market (Madsen 2003, 2004; Bredgaard et. al 2005). One of the main features of the Danish employment system is a relatively low level employment protection for employees with a standard contract (OECD 2004, chapter 2). The main trade-off between flexibility and security is found for regular (standard) workers who experience a short spell of unemployment in between two jobs. In this context, the unemployment benefit systems functions as a flexibility device enhancing the mobility and risk willingness of the ordinary workforce. For those, who have problems finding a new job, the active labour market policy ideally serves to upgrade the qualifications and motivation of the individual, and enhance the possibilities for labour market reintegration (Madsen 2003, 2004, 2005, 2006).

Since the majority of the workforce is easy to dismiss, Danish companies have traditionally not resorted to employ “atypical workers”. The short story is that the ordinary workforce can be considered “temporary workers” due to the high job mobility and high job turnover rates (Bredgaard et. al 2005, 2006).

But this short story is also too short and imprecise. In this paper we review the relationship between Danish flexicurity and atypical employment. First, we discuss briefly the relationship between employment protection legislation and “atypical” employment. We define “atypical employment” as the major types of non-standard work deviating from the full-time open-ended employment relationship. This includes part-time employment, fixed-term employment, temp agency work and self-employment. Secondly, we describe the incidence, development and regulation of these “atypical” employment relationships in Denmark on the basis of existing research and literature as well as on own calculations based on data from the Danish Labour Force Survey in the years 2000 to 2006. We finally conclude by assessing the detailed relationship between flexicurity and atypical employment in Denmark.

EMPLOYMENT PROTECTION AND “ATYPICAL” EMPLOYMENT

In the context of “atypical” employment, the literature on Danish flexicurity tends to assume that workers are in regular open-ended contracts, or, if not, that part-time or temporary contracts can be considered equivalent to regular employment. In contrast hereto, the European agenda on flexicurity pays quite substantial attention to the problems of segmented labour markets (European Commission 2007). The argument is that European countries with stringent EPL have tried to increase numerical flexibility by introducing “flexibility at the margins” through fixed-term and part-time contracts, which, in effect, has created an unbalanced relationship between inflexible but secure insiders and flexible but insecure outsiders. The EU Commission argues that the problem of segmented labour market is mainly confined to countries with strict employment protection (like Spain, Italy, Germany and France), while countries with more liberal employment protection (like Denmark and the United Kingdom) do not confront this challenge to the same extent. The assumption is based on the empirical observation that the proliferation of “atypical” forms of labour contracts occur in countries with restrictive EPL for regular contracts (European Commission 2006, p. 75). Thus, employers in countries with stringent rules for hiring and dismissing standard workers are enforced to employ “atypical” workers to gain numerical flexibility.

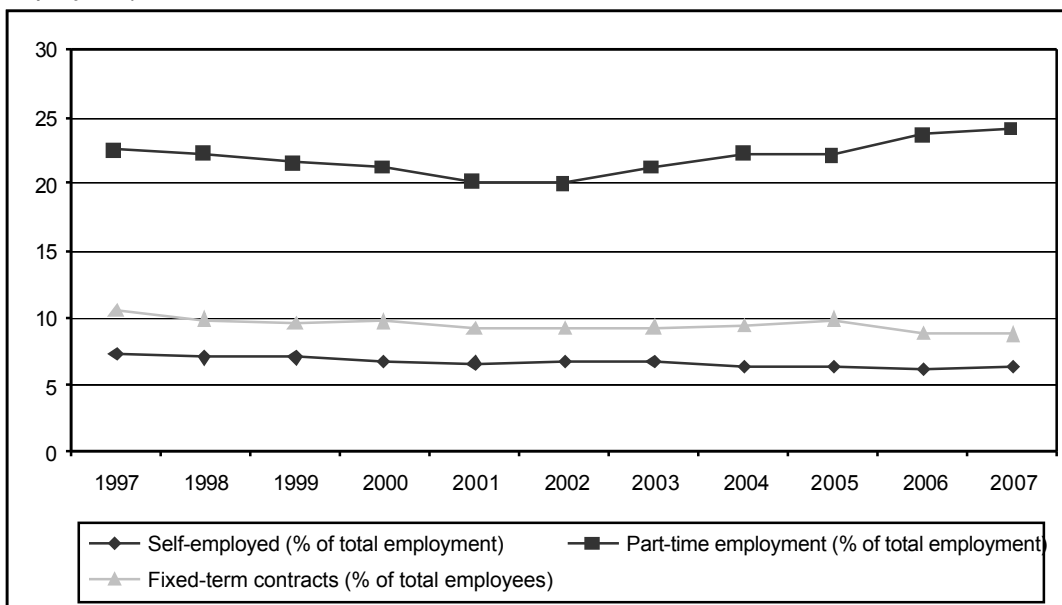
This brings us to examine the detailed relationship between “atypical” employment and flexicurity in Denmark.

ATYPICAL EMPLOYMENT IN DENMARK

It is often suggested that permanent and long-time employment relationships has become a thing

of the past due to rapid technological restructuring, globalisation of labour markets and new life course preferences of the workforce. The shift from job security to employment security implied by the flexicurity concept is also a reflection of this change. However, there is not much empirical evidence to back this assumption of the “end of stable jobs” (Auer and Cazes, 2003). In Denmark this stability in the employment relationship is also confirmed by time-series data on the evolution of various “atypical” forms of employment relations (like part-time employment, fixed-term contracts and self-employment), cf. figure 1.

Figure 1: Incidence of “atypical” employment in Denmark, 1997-2007 (part-time and self-employed as percentage of total employment, and fixed-term contracts as percentage of total employees)



Source: European Commission (2008): *Employment in Europe 2008*, Statistical Annex, p. 230.

All three indicators (part-time employment, fixed-term contracts and self-employment) have remained on almost the same level since the mid-1990s. Actually, both the share of fixed-term contracts and self-employed have declined slightly over the period. Due to the relatively moderate EPL for regular workers and relatively high job mobility rates, we would expect to find a lower incidence of “atypical employment” in Denmark. This is only partly confirmed. Compared to EU-15, there is in 2007 a much lower incidence of self-employment in Denmark (compare 6 % in DK to 14 % in EU-15), and a lower incidence of fixed-term contracts (compare 9 % in DK to 15 % in EU-15). The share of part-time employees is, however, higher in Denmark (24 %) than in EU-15 (21 %). Like in other EU-countries there are, furthermore, important gender differences in the distribution of “atypical” employment. In 2007, 36 % of all female employed were in part-time employment (compared to 14 % of men), and only 4 % of women were self-employed (compared to 9 % of men) (European Commission 2008, p. 230-31).

In the following we will describe the various forms of “atypical” employment in Denmark and examine the regulation of these forms of employment on basis of existing literature and research and on own calculations based on the Danish Labour Force Survey. Atypical employment is often associated with worker insecurity. Compared to standard workers, we define “insecurity” as a lesser extent of job protection (measured by EPL), social security, employment security (employability) and combination security (work-life balance). We thereby follow the various types

of security identified in the well-known flexicurity-matrix (Wilthagen 1998; Wilthagen & Tros 2004). The question we turn to now is therefore, whether persons in “atypical employment” (part-time employment, fixed-term contracts, temp agency workers and self-employed) enjoy the same level of social protection as ordinary workers. We mainly examine the formal level of protection in laws and collective agreements, and only the implementation of the regulation, if there is available empirical evidence, which is often not the case.

Part-time employment

In Denmark, part-time work is not considered “atypical” or “precarious” work, but rather a “normal” standard type of work, albeit with a shorter working time (Madsen/Petersen 2000, p. 61). This does not imply, however, that all part-timers are voluntary part-time workers. In 2002, 16 % of all part-time employed in Denmark replied in the Labour force Survey that the main reason for working part-time was because they found it impossible to find a full-time job. This share of “involuntary” part-timers was slightly above the EU-average of 14 %, but far below the shares reported in Greece (44 %), Finland (31 %), Italy (31 %), France (24 %) and Sweden (22 %) (Eurofound 2003, p. 9). It should also be noted that about 50 % of all part-timers in Denmark respond that the main reason for working part-time is that they do not want to work full-time. In addition, about 30 % work part-time because they are involved in education and training activities (e.g. students). Thus, about 8 out of 10 part-time workers can be considered “voluntary” part-timers. There is moreover a clear gender differences in the reasons behind taking up part-time jobs: 60 % of men work part-time to combine work and education (e.g. students), while 58 % of women work part-time because they do not want full-time work (e.g. to improve the work-life balance) (Wehner et. al 2002, p. 4). Lastly there is an overrepresentation of part-time workers in sectors like trade, hotels and restaurants and in the public sector (Wehner et al 2002, p. 7).

When comparing transitions between different labour market states at two points in time for part-time workers and full-time workers (table 1) we see that part-time work is slightly less stable than full-time work when it comes to the share that are still in employment one year later – but the majority of the part-time workers are still employed one year later. In the table below we see that 87,6 % of those working less than 37 hours a week are still employed one year later, while the same goes for almost 94 % of those working 37 hours or more. 12,3 % of the part time workers have become either unemployed or inactive compared to 6,1 % of the full time workers.

Table 1: The labour market status for part-time and full time workers one year later, 15-66 years, 2000-2006, in percent

	Employed	Not employed	Inactive	Total
Part time worker (less than 37 hours)	87.6	3.7	8.6	100.0
Full time worker (37 hours +)	93.9	2.5	3.6	100.0
All workers	91.6	3.0	5.5	100.0

N: 45.559
Chi²: 590.35 p=0,000
Source: Own calculations based on the Labour Force Survey 2000-2006

When breaking down the part-time workers into groups of how long their weekly working time is, we see a slightly different pattern (table 2). Those working ‘long part time’ (21-30 hours a week and 31-36 hours a week) resemble full-time workers more in terms of being employed one year later while those working ‘short part-time’ (maximum 20 hours a week) are less likely to be employed one year later and more likely to end up unemployed or in inactivity. This group of persons working less than 20 hours a week is probably mainly students having a job while undergoing school, which may explain their lesser degree of employment stability.

Table 2: The labour market status for different groups of part-time and full-time workers one year later, 15-66 years, 2000-2006, in percent

	Employed	Not employed	Inactive	Total
Full time worker (37 hours +)	93.9	2.5	3.6	100.0
Part time worker (31-36 hours)	90.8	3.7	5.4	100.0
Part time worker (21-30 hours)	90.5	3.4	6.1	100.0
Part time worker (maximum 20 hours)	81.7	4.1	14.2	100.0
All workers	91.6	3.0	5.5	100.0

N: 45,559

Chi²: 1111,91 p=0,000

Source: Own calculations based on the Labour Force Survey 2000-2006

Even though we see significant differences between part-time and full-time workers in terms of employment security (measured as being employed one year later), the overall impression from the tables above is that those working in a part-time position of more than 20 hours a week seem to be in a rather stable and secure position at the labour market since approximately 9 out of 10 are still employed one year later. This supports the assumption that part-time work in Denmark is considered to be a rather normal, stable and typical type of employment.

The regulation of part-time work is a mixture of collective agreements and law. For instance, the 1997 EU directive on part-time employment was in 2001 implemented by the social partners in the private sector. Supplementary agreements have also been struck between the social partners representing various public sector employees. The main objective has been to avoid differential treatment of full-time and part-time workers, unless objectively justified.

In 2002, a new Part-time Law was passed by the liberal-conservative government. The law was met by some criticism from the trade unions for interfering with the traditional Danish model of voluntary collective bargaining, and out of fear that workers could be forced from full-time to part-time employment. The main intention of the part-time law was to remove the barriers laid down in collective agreements for part-time work. If there is agreement between the employer and the employee, an individual worker can change from full-time to part-time. If a worker is dismissed, due to a rejection of a request to go on part-time or due to his or her own request to change to part-time, then the employer has to pay compensation. Thus, the law does not grant employees a right to part-time work, but an option – if the employer agrees. The law only applies to persons already employed, not newly recruited workers. In relation to recruitment, there are still a number of limitations to part-time employment that applies, e.g. regulation on the maximum number of part-time workers, the rule that part-time workers should not substitute full-time workers, and that part-time employment must be negotiated with the shop stewards (Danish Confederation of Trade Unions 2004). Since the law was passed in 2002, the incidence of part-time work has increased by some 4 percentage points (cf. figure 1 above).

If part-time workers become unemployed they have the same level of income protection as full-time workers. Both full-time and part-time employees can become members of an unemployment insurance fund. Part-time insurance is an option for persons working less than 30 hours per week. Membership contribution and the level of unemployment benefits are lower for part-time unemployed. Thus, benefits cannot be higher than two-thirds of the benefits for a full-time insured person.

Thus, except from the reduced working time, part-time workers are generally covered by the same collective agreements and the same legislation as full-time employees. Also, when it comes to collective pension schemes, part-time workers are covered by the same system as full-time employees, only with proportional reductions in contributions and pensions. We also saw from the

tables above that part-time work is a rather stable type of employment in Denmark where the majority of part time workers are still employed one year later. In summary, part-time work has become an institutionalised and regulated form of employment on the Danish labour market, which in almost all respects is treated similar to regular full-time employment.

Fixed-term contracts

Another type of “atypical” employment, which is on the rise in Europe, but has remained stagnant in Denmark, is fixed-term employment. In a fixed-term contract the employer and the employee have agreed to terminate the employment relationship at a certain point in time without further notice. This time may be a certain date, by the completion of a certain task or at the return of another employee who has been temporarily replaced (Danish Employers Association 1999, p. 204; Hasselbalch 2003).

As mentioned above the share of employees in fixed-term contracts in Denmark has declined slightly over the period from 1997-2007 from 11 % to 9 %, while the share has actually risen in the EU-15 over the same period (from 12 % to 15 %). Hence, the incidence of fixed-term contracts in Denmark is rather low compared to a number of other EU countries.

There has been done very little research on fixed-term employment in Denmark, but the few studies that have been made show, that women and low educated people are more likely to be in fixed-term contracts (Eriksson/Jensen 2003). A calculation from Statistic Denmark show that around one third of those working in a fixed-term contract chose this form of work, because they couldn't find a permanent job (two-thirds being women) (Statistics Denmark 2004). Studies have also shown that fixed-term workers have lower wages than permanent workers. A study by Erikson and Jensen showed that permanent workers have a 6-7 percent higher wage than fixed-term employees (Eriksen/Jensen 2003, p. 13), and Vanessa Gash has shown that temporary workers are at risk of being low paid (Gash 2005). Erikson and Jensen's study also showed that previous work in a fixed-term contract gives higher odds of being in a fixed-term contract later on (Eriksen/Jensen 2003), which may indicate that some people are at risk of being trapped in temporary jobs over a longer period of time.

On basis of own calculations from the Labour Force Survey for the years 2000 to 2006 we see that persons working in temporary or fixed-term contracts have lesser employment security than permanent workers (table 3), which is expected since they are working in a contracts, which will eventually terminate. 76 % of those working in a temporary contract are still employed one year later, while 92,5 % of the permanent workers are. Even though we see lesser employment security among temporary workers, it's still worth noticing, that the majority of temporary workers (3 out of 4) are still employed one year later.

Table 3: The labour market status for permanent workers, temporary workers and self employed without employees one year later, 15-66 years, 2000-2006, in percent,

	Employed	Not employed	Inactive	Total
Permanent worker	92.5	2.4	5.1	100.0
Self employed ¹	93.8	1.1	5.1	100.0
Temporary worker	76.1	10.0	13.9	100.0
All workers	90.8	3.1	6.0	100.0

N: 50.776

Chi²: 1680,51 p=0,000

We also see a significantly higher outflow from temporary work to positions outside employment

¹ Self employed without employees will be analyzed in the next section.

in table 3, where 1 out of 4 temporary workers are not in employment one year later.

In the next table we have calculated how large a percentage of the temporary employees have moved to permanent employment one year later. Here we see that over half of those temporary employees who still had a job one year later have moved to a more stable type of employment. This indicates that having a temporary job is not necessarily a trap but can also be a bridge to more stable and permanent employment. On the other hand we know from the above study from Eriksen and Jensen, that previous work in a temporary contract gives higher risk of having a temporary job later on. There may therefore not be a clear-cut tendency to temporary jobs being either a trap or a bridge.

Table 4: Type of employment one year later after being employed as either permanent worker, temporary worker or self employed without employees, 15-66 years, 2000-2006, in percent

	Permanent employment	Temporary employment	Self employment	Total
Permanent worker	95.0	3.7	1.3	100.0
Self employed	7.9	2.8	89.2	100.0
Temporary worker	55.7	42.4	1.9	100.0
All workers	88.2	7.1	4.8	100.0

N: 46,073
Chi²:37489,17 p=0,000

Fixed-term contracts are regulated by laws and collective agreements. Except from standard terms of notice, fixed-term workers are generally covered by the same collective agreements and by the same legislation as permanent employees (e.g. holidays, seniority, salary during sickness etc.).

Since 2003, all fixed-term workers are covered by the law on fixed-term contracts (*Lov om Tidsbegrænsede Ansættelser*). This law stems from an EU-directive from 1999. The main objective is to improve the quality of fixed-term contracts in all the EU-countries by ensuring that fixed-term workers have the same possibilities and rights as employees in standard contracts. This means, for instance, that fixed-term workers must be given access to continuing vocational training on the same terms and conditions as permanent employees, and that employers are obliged to inform fixed-term workers on vacant positions in the company in order for the fixed-term worker to achieve a permanent position. Another important objective of the law is to protect the fixed-term workers against employers' improper use of successive renewals. Therefore a fixed-term contract can only be renewed due to objective conditions such as maternity leave or sickness or because a longer contract is needed in order to complete the task. In some areas of the labour market (like teaching and scientific work) only two renewals can be given before the fixed-term contract terminates.

It is evident from the very nature of the contract that fixed-term workers have less job security than permanent employees and we saw in table 3 that around 25 percent of the temporary workers are not in job one year later. Because of this inherent job insecurity, it becomes important for the fixed-term worker to have access to the social security system if becoming unemployed. In this respect, the Danish income security system is universal, thereby not distinguishing between the rights and responsibilities of standard and non-standard workers. Uninsured unemployed receive social security benefits, while insured unemployed receive unemployment insurance benefits (UIB) from the unemployment insurance funds. The conditions for eligibility of UIB may, however, impact on fixed-term workers. To become eligible for UIB, one must be a member of an unemployment insurance fund, and have paid contributions for at least 52 weeks over a period of 3 years.

Temporary agency workers

A specific type of fixed-term contract work is temporary agency work (TAW). It differs from fixed-term contracts since the temp agency functions as liaison between the user company and the temp worker, and functions as the direct employer of the temp worker. According to Eurofound (2006) the share of TAW of total employment in Denmark was actually the lowest in EU-15. However, in the last decade or so the share of TAWs has tripled from 0.3% (1999) to 0.9% (2006). The increase has especially occurred with the economic boom since 2004, and the influx of immigrant workers due to the enlarged European Union (AERådet 2006).

Temp agency work is not covered by the law on fixed-term contracts, or any other law, but regulated through collective agreements. This situation is probably not sustainable in the longer run. In June 2008, the Council of the European Union struck a political agreement on a common position for a directive on temporary agency work. The aim of the proposal of the Council is to ensure the principle of equal treatment. Although the Danish labour market organisations may implement the directive within their jurisdiction, supplementary laws will also be necessary to cover the remaining workforce.

Traditionally, the trade unions have opposed TAW, as well as other types of "atypical" employment, as they believed that temp workers would undermine the wage and working conditions of regular workers. Gradually, however, TAW and other types of "atypical" employment have become accepted as a lasting phenomenon in the economy, and the trade unions have instead tried to include them in the system of collective agreements and bargaining. This means that today TAW are by and large covered by collective agreement, and temp agencies are also to a large extent members of the employers associations (Andersen 2007, p. 71).

Andersen (2007) analyses different dimensions of security for TAW in Denmark and Holland, and finds that their wage and working conditions have been "normalised", i.e. gradually becoming equivalent to regular workers in terms of wages, pensions, holidays, sickness benefits, maternity leave etc. Due to the complex employment relationship between the user company and temp agency there are, however, still disputes about which collective agreement apply (and derived from this which pay and working conditions that apply) and challenges in extending the coverage of collective agreements to the increasing number of immigrant workers from Eastern and Central Europe (Andersen 2007).

Self-employment

Self-employment is often defined as a category of workers in between regular employees and regular employers characterised by doing the work alone without hiring subordinate employees (Madsen/Petersen 2000, p. 66-67). In the literature, self-employment is often referred to as a type of "atypical" employment, which unemployed persons resort to due to lack of job opportunities on the regular labour market. In general, this does not seem to be the case in Denmark, where self-employment is to a large extent a voluntary choice.

The incidence of self-employment in Denmark is comparatively low, and has remained almost constant with a slight downfall in recent years. A characteristic feature of those starting their own business is that their educational background is above average, with fewer having only a basic education and more being skilled workers or having a long-term education – the majority being men (about 75 %) (Erhvervs- og Byggestyrelsen 2006, p. 24). Self-employment is most widespread in the traditional sectors of agriculture and fishing, but also in construction and services, which has a tradition for skilled workers moving into self-employment as part of their career.

In line with the universalistic character of the Danish welfare state, social security is in general not related to the kind of labour market attachment that an individual has. Self-employed are,

therefore, eligible to the same types of social security (unemployment benefits, sickness benefits and leave benefits) as regular workers. In some cases, however, special rules may apply due to the particular character of the status as self-employed compared to that of a wage earner.

When looking at the results from table 3 we see that self-employed resemble permanent workers in terms of employment security and risk of being unemployed or inactive. 92.5 % of the permanent workers are employed one year later and almost exactly the same goes for the self-employed (93,8). Almost the same percentage of self-employment and permanent workers are also not working (7.5 for the permanent workers and 6,2 for the self-employed). Looking at the results from table 4 we see that almost all self-employed stay in self-employment while around 8 % has moved to permanent employment and a few percent to temporary employment. This indicates that, compared to fixed-term employment, self-employment is not necessarily seen as a temporary condition in a persons' labour market career but may very well be perceived to be a more permanent and secure state like permanent employment rather than a precarious type of employment. One should add however that this conclusion is based on observations covering only one year and also that self-employment might entail other drawbacks. A recent study from the Economic Council has thus shown that there is a noteworthy problem of low income or even poverty among some groups of self-employed (Det Økonomiske Råd, 2006, chapter 2).

CONCLUSIONS

In Denmark, there is not much empirical evidence to support the assumption that atypical employment is becoming typical. In fact, the proportion of self-employed and fixed-term contract workers has decreased slightly during the last decade, while the proportion of part-time workers has risen somewhat in recent years. Unlike in a number of other European countries, the Danish labour market is still characterised by a dominant core of regular full-time workers in open-ended contracts, and a much smaller and relatively stable periphery of "irregular" employment relationships. In this article, we have defined these "atypical" employment relationships as part-time employed, fixed-term contracts, temp agency workers and self-employed.

The comparatively low proportion of "atypical" employment relationships are usually explained with reference to the liberal employment protection legislation (EPL) in Denmark. Liberal EPL tends to increase the dynamics of the labour market, and seems to decrease the risk aversion of employers in hiring regular workers. This simply that the flexibility needs of employers in hiring and firing can be met by the regular workforce, and that employers do not need to resort to "atypical" employment to create external-numerical flexibility.

"Atypical" employment is often associated with less security, like inferior job security, poor working and wage conditions, less social security entitlements, restricted access to lifelong learning, and active labour market policies. In general, this does not seem to be the case in Denmark. The various types of "atypical" employment relationships (part-time, fixed-term contracts, temp agency, and self-employed) are generally covered by the same collective agreements and legislation as permanent employees. It could therefore - in principle - be argued that Danish flexicurity for the regular workforce has also been extended to include "atypical" workers.

There are in our opinion at least three possible explanations for the comparatively low incidence of "atypical employment" in Denmark. First, the universalism of the income protection system implies that standard as well as non-standard workers are covered by unemployment insurance or social assistance on almost equivalent conditions. The relative generosity of social security provides individual workers with the choice to reject "atypical" and especially "precarious" work. Second, the trade union movement is in a comparative perspective strong (high unionisation rate, wide coverage of collective agreements, and capable of striking binding agreements with

representatives of employers), and have traditionally fought to protect their members by minimising the incidence of “atypical” employment and, more recently, by enhancing the social protection of “atypical” workers. Finally, the relatively high minimum wages combined with low job security and high job mobility have created a highly competitive and productive labour market in which the incentives for employers to resort to employ “atypical workers” are not as urgent as in other European countries.

There are, however, some challenges to this relationship between Danish flexicurity and “atypical employment”, which need to be mentioned. First, the universalism of the income security system is showing some cracks. In recent years, social security benefits for some groups (like immigrants) have been reduced, and since the 1980s the level of unemployment insurance benefits has not been fully adjusted to the rise in the general price and wage level. This may question the generosity of income protection for specific groups, like refugees and immigrants as well as high-income wage earners. Combined with this the active labour market policy is increasingly focussed around a work first rather than human capital approach, which is embodied in the recent philosophy of “any job is a good job” and “making work pay”. The choice to reject “atypical” and “precarious” work may not be as voluntary, as it used to be. Second, like in other European countries the trade union movement is also losing ground in Denmark, and may not have sufficient strength to extend the coverage of the “Danish model” to new types of “atypical” employment, especially in emerging sectors of industry and towards the rapidly rising number of migrant workers, especially from the New Member States. Finally, more individualised life trajectories and preferences over the life course cannot easily be accommodating within the traditional standard employment relationship.

Therefore, if the political objective is to maintain a secure and flexible labour market, the main challenge is to create “regulated” mobility and smooth transitions between various positions in and out of the labour market rather than “unregulated” mobility and dead-end jobs.

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