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New actors in labour market policy: The Danish quasi-market for employment services

Abstract:

The involvement of so-called “other actors” in Danish employment policy since 2003 is one of the most important innovations in the labour market reform “More people into employment” (Flere i arbejde). The idea behind involving “other actors” in Danish labour market policy is to contract-out the Public Employment Service (PES), which makes the reform comparable to similar reforms in Australia, the Netherlands and the United Kingdom.

Contracting out the PES has major implications for the steering, organisation, implementation and effects of labour market policy. This is demonstrated by a ‘quasi-market’ analysis of the Danish market for employment services. A number of problems and challenges, which seem more fundamental than simple start-up difficulties (or “teething problems”) referred to in Danish public debate, are discussed.