

# Danish labour market forecasting

Nuremberg, April 20/21



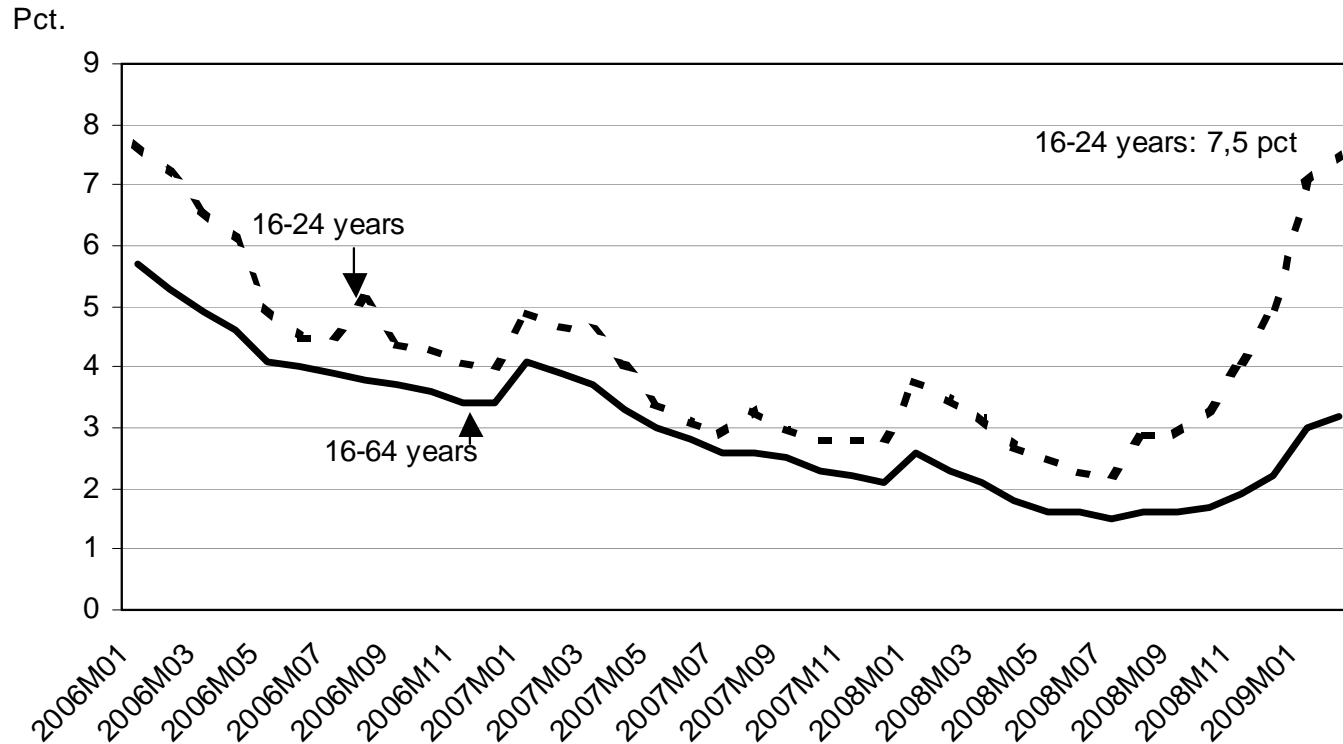


# Developments in the Danish Labour market

- **The unemployment reached an all time low in august 2008 with an unemployment rate of 1.7 pct.**
  - **Because of the current economic recession, by February 2009 the unemployment rate had risen to 3,2 pct.**
-

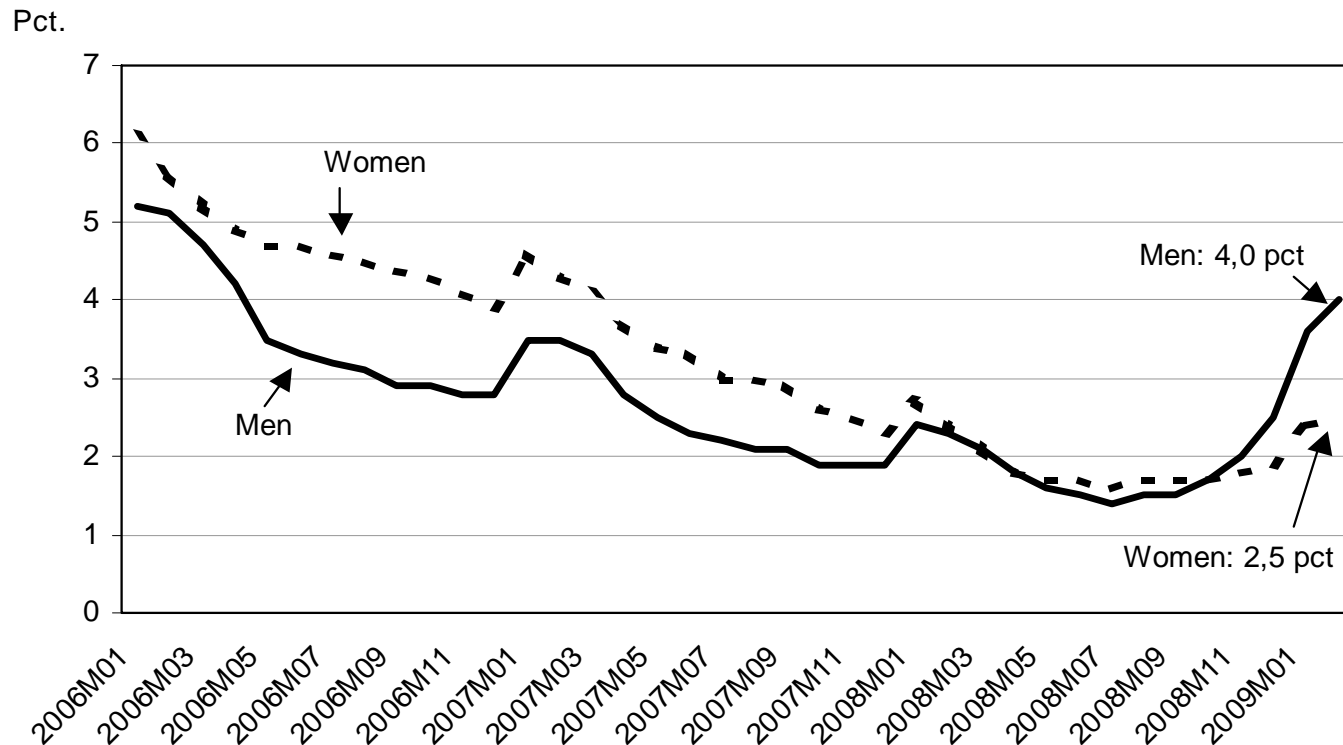
# Young people have been more seriously affected....

Unemploymentrate, january 2006 to february 2009



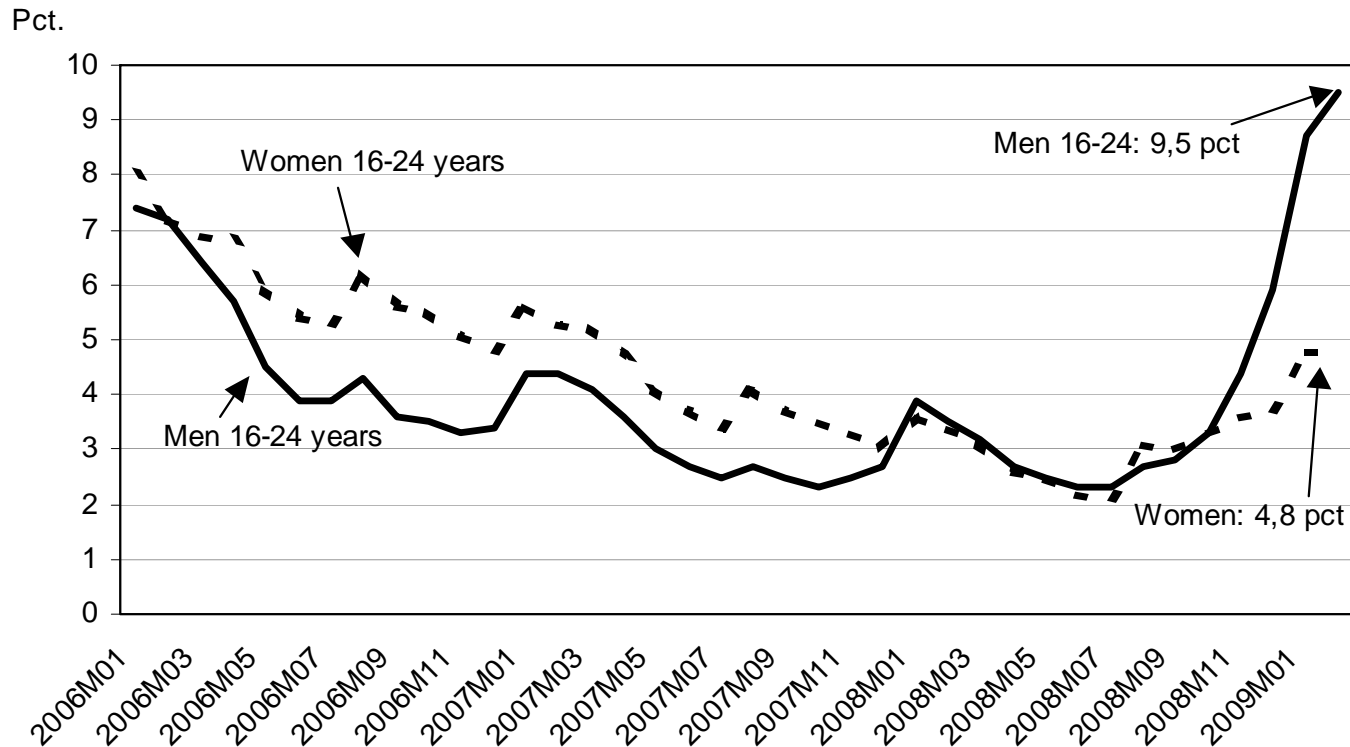
# For the first time men has a higher unemployment rate than women....

Unemploymentrate, january 2006 to february 2009

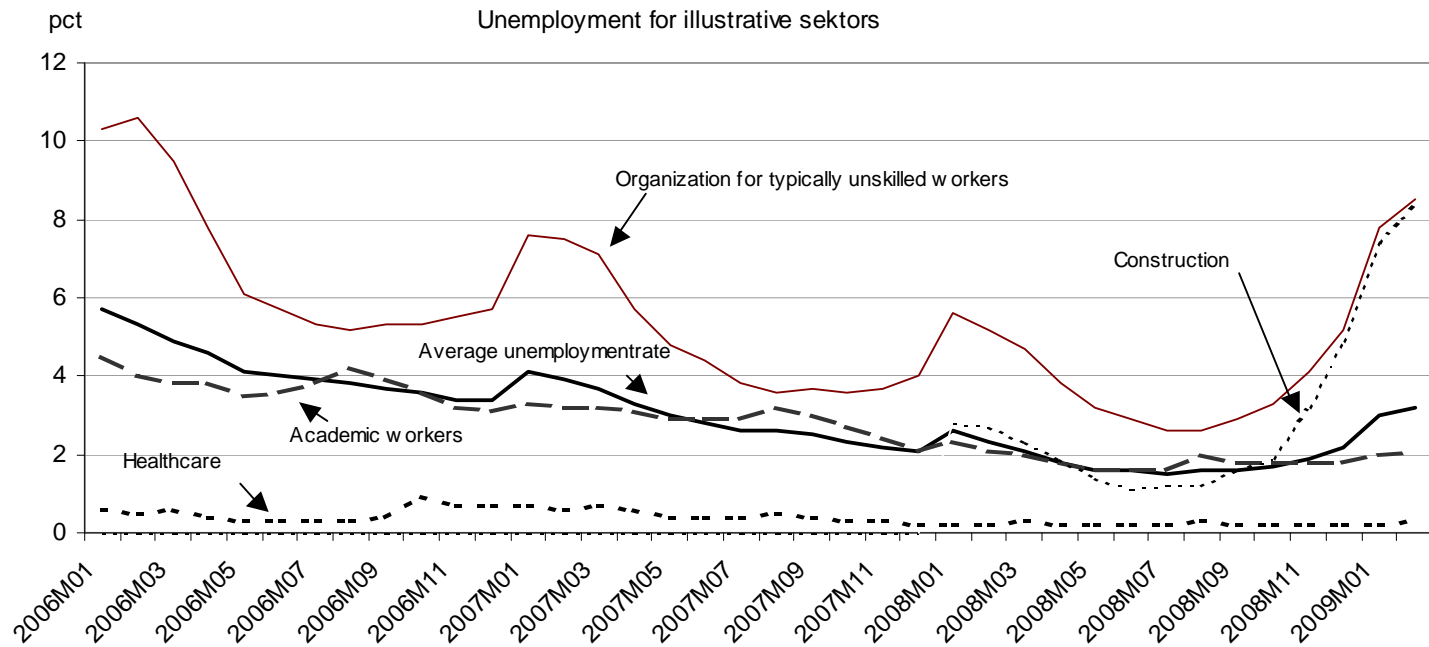


# Particularly young men has been affected by the crisis....

Unemployment rate, january 2006 to february 2009



# Unemployment hid unskilled workers and workers in construction first....





## **From February 2008 to February 2009 the monthly labour market indicators show :**

- **A decline in the number of jobs posted on the PES public internet site by approximately 50 pct.**
  - **A decline in the number of persons working part time by almost 40 pct (from february 2007)**
  - **A rise in the number of business announcing lay-offs from 7 to 70.**
-



**Despite of the crisis in the economy,  
the expectations for the future is  
generally favorable**

- **The unemployment is still low**
  - **There are still many vacancies**
  - **There are still sectors with shortages of labour, for example in health care and private services.**
  - **The firms employment expectations have stabilized.**
-





## **The Danish labour market surveillance consists of:**

**One year forecasting of the developments in employment.**

- **One year forecasting of the developments in unemployment.**
- **Current Regional labour market balances describing the match between labour supply and demand for 1.100 different job titles.**

**All three tools are published twice a year.**

---



# **The one year forecasts**

**Because of the current rapid developments on the labour market forecasts are only being made with a one year horisont.**

**The forecasts are based on the economic forecasts made by the danish ministry of finance**

**They show the monthly and quarterly expectations to the development in employment and unemployment**





# **Expected development**

**The unemployment is depicted to rise in the by 62 pct. from the 4th quarter of 2008 to the fourth quarter of 2009.**

**The employment is depicted to fall by 1.9 pct from the 4th quarter of 2008 to the fourth quarter of 2009.**

---



# **The forecasts are probably to conservative**

**The latest forecasts were published in  
December 2008.**

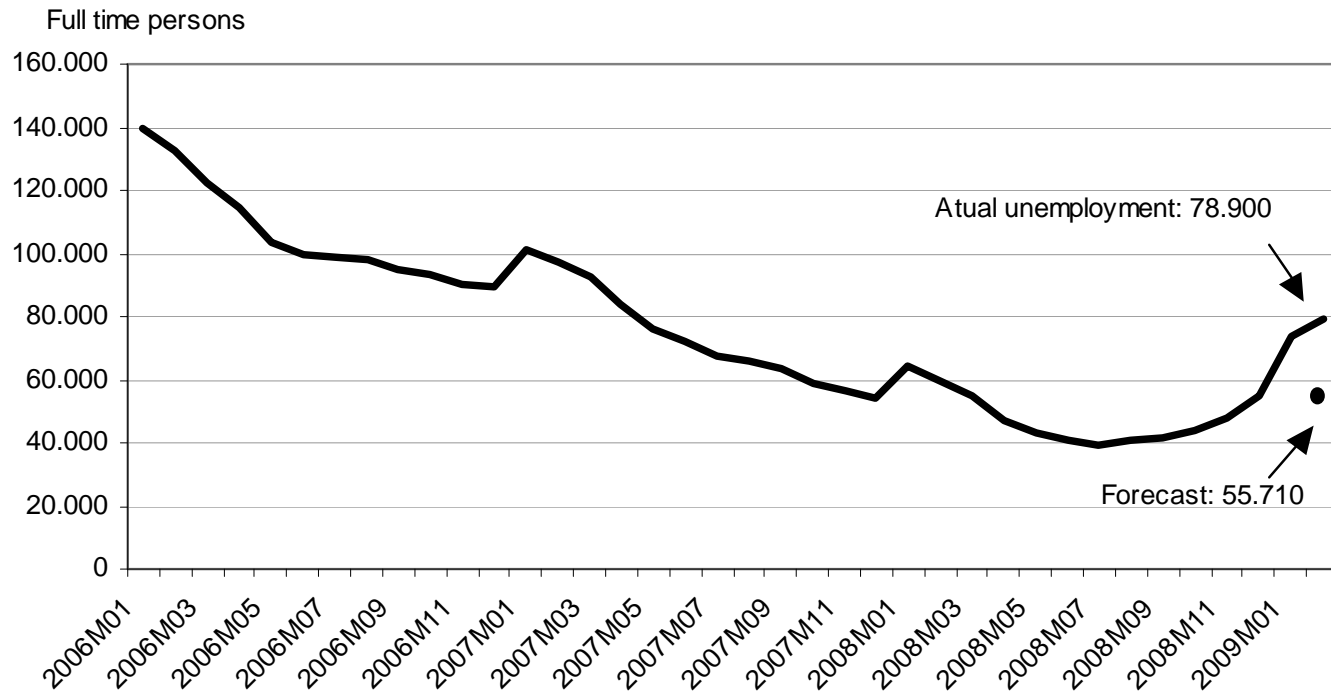
**In February 2009 there were 78.900 full time  
unemployed. The forecast depicted  
55.710.**

**The development on the labour market has  
been far more rapid than expected.**

---

# The forecast underestimated the number of unemployed in february.....

Number of full time unemployed, january 2006 to february 2009





# **The labour market balances**

**The danish labour market is divided in 4 different regions.**

**Each region has its own labour market balance describing the match between labour supply and demand for 1.100 different jobtitles.**

**On the basis of data on employment, unemployment, job vacancies and companies unsuccessful recruiting the jobtitles are divided into different categories.**

---

# The labour market balances

Balance between supply and demand	Jobopportunities	Definition
Severe and structural lack of labour	Very good job opportunities	Jobtitles with severe recruitment problems and extraordinary low unemployment
Lack of labour		Jobtitles with recruitment problems and low unemployment
Mismatch between supply and demand		Jobtitles with recruitment problems and high unemployment
Balance between supply and demand	Good job opportunities	Jobtitles without recruitment problems and with low unemployment
Excess of labour	Limited job opportunities	Jobtitles without recruitment problems with high unemployment and few jobvacancies.



# **The government has decided to strengthen the surveillance by a string of unemployment indicators**

- **Number of companies announcing layoffs and numbers of jobs being cut.**
- **Number of jobs posted on the official PES internet site.**
- **Number of persons in job sharing**

**The indicators are published monthly**


---





# **To prevent the worst consequences of the downturn in the economy the focus of the Danish employment effort is on:**

- **Bringing the unemployed into job as soon as possible.**
  - **Motivating and encouraging unemployed to seek the jobs still available.**
  - **Using the labour market tools to upgrade unemployed persons with skills and knowledge in areas with good job opportunities.**
  - **Encouraging more young people to take formal education.**
-



**The government has introduced following financial initiatives which is expected to enhance the demand for labour:**

- **The Danish financial agreement for 2009 involves tax cuts and increased public spending.**
  - **Extension on taxpaying for businesses**
  - **The restrictions on the municipalities construction budgets has been raised and they have been given extra financing.**
  - **200 million euros has been devoted to household renovation and building in 2009.**
  - **A new tax reform gives substantial income tax cuts in 2010 and further in 2011.**
-