

SPRING 2017 REFORM BAROMETER – DENMARK

European Semester - Overall assessment of 2016 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	Not enough	The Danish government describes in the report only already implemented initiatives. There is a lack of proposed initiatives to increase labour supply and initiatives to prevent and overcome the growing shortage of labour in companies. Danish Employers (DA) welcomes that Denmark has implemented initiatives which sets a ceiling on a total of social assistance and a requirement for 225 hours of work to maintain a higher social assistance. By contrast, a majority in Parliament outside the government has implemented a tightening of rules on access to labour from outside the EU, which makes it more difficult for companies to recruit employees.
2.	The Commission's country specific recommendations for your country are appropriate.	Not at all	No recommendations were given to Denmark on labour market and education policy in 2016 and 2017. Danish Employers (DA) encourages the European Commission to give Denmark recommendations on policy initiatives. For DA, a recommendation on initiatives to overcome the current shortage of labour has a high priority.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	The report is a fine overview of the Danish employment policy, but the European Commission has chosen to focus on the risk of poverty through reforms of the Danish social assistance instead of a focus on that the reforms create incentives to get into work. This even though the Danish social assistance, also after the reforms are among the highest in Europe. The Commission needs to focus on the problems on the Danish labour market with weak growth and that, in spite of the weak growth there are already major challenges of growing labour shortages.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	There is no Country Report for Denmark.

Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Respect the medium-term budgetary objective in 2016 and achieve an annual fiscal adjustment of 0,25 % of GDP towards the medium-term budgetary objective in 2017.	Important	Mixed	
CSR 2	Enhance productivity and private sector investment by increasing competition in the domestic services sector, in particular by facilitating market entry in retail and construction. Incentivise the cooperation between businesses and universities.	Extremely important	Mixed	
				No recommendations on labour market or education policy for Denmark.

Reform Progress in your Member State in 2016

How would you assess reform progress in 2016, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	No progress

Is there any example of an economic reform, specific to your country that BUSINESSEUROPE could highlight in its 2017 Reform Barometer?

A tripartite agreement was signed in March 2016 with the government on the integration of refugees on the Danish labour market. The social partners have taken responsibility and among others contributed to establish a special training scheme for refugees (IGU). A tripartite agreement with the government was also signed in August 2016 on sufficient and qualified labour, which particularly employers have taken responsibility for arranging the vocational training system with financial incentives for companies to take apprentices in areas where there is demand for labour with the offered qualifications. The financing of subsidies for green electricity by a tax on electricity will be phased out. In the future, these subsidies will be financed by general taxation.

Reform priorities for 2017

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Making work-pay: interplay of tax and benefit system	Political initiatives to address and prevent labour shortages. Social assistance and other public transfers should be reduced to increase the financial incentives and framework conditions and initiatives to facilitate company to recruiting from abroad (within the EU and from countries outside the EU) must be improved.	yes
Priority 2	Labour market mismatch and labour mobility	Policy initiatives that can contribute to ensure access for employees with the right skills, for example a reform of the adult vocational training system and initiatives to get young people to engage in education earlier, reduce dropout and improve the match between education and labour market.	yes

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Priority 3	Pension and health care reforms	Move the time up to 2025 for the implementation of an already decided higher public pension age and in general raise the age of retirement.	yes
Priority 4	Public sector efficiency	Put up specific targets for how many public-sector tasks that are being subject to private sector competition. Improved procurement processes in the public sector and an increased use of technology.	yes
Priority 5	R&D and Innovation	Increase of public research and development (in technical areas) and specific business oriented innovation programs.	no