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Barriers to and triggers of policy innovation and knowledge transfer in Denmark

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Barriers to and triggers of policy innovation and knowledge transfer in Denmark

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- ii) to engage with 'relevant communities, stakeholders and practitioners in the research with a view to supporting employment policies in Europe.' Contributions to a dialogue about these results can be made through the project website www.style-research.eu, or by following us on Twitter @STYLEEU.

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Executive Summary

Compared to many other European economies, the Danish youth has experienced relatively low youth unemployment rates following the crisis. Historically, the Danish youth unemployment rate has been considerably lower than the EU-average and even during the crisis years, since 2008, it has not risen above 15 per cent. The relatively low youth unemployment rate has affected the policies directed at youth employment and school-to-work transitions in a number of ways. Increasing the labour supply has been a primary policy goal rather than combating youth unemployment per se. The background for aiming policies at labour supply is the demographic changes in Denmark with large cohorts retiring from the labour market in the near future. With demand being strongest for higher educated workers, there has been a push for designing incentives for young people to enrol into education – either vocational or upper-secondary education – and incentives to make young people finish education faster than hitherto.

In the background sections of the report we outline the institutional framework in Denmark for combating youth unemployment. We argue that the so called flexicurity model on the one hand should create many job-openings for younger workers, thus facilitating smoother school-to-work transitions, but on the other hand, with high reservation wages and collectively agreed minimum wages, there is a strong demand for young workers to be productive from day-one. This in turn puts a strong pressure for employment-relevant education and training, which presumably is procured through the apprenticeship-based vocational education and training (VET) system, while somewhat neglected in tertiary education in the universities.

A key ingredient in Danish policies to combat youth unemployment has been to reform the benefit structure for young people. In recent reform efforts, the aim has been that young people should not be on passive benefits unless cognitive, social, or physical conditions do not allow the individual to be active. The visitation procedures have gradually been revised and focused on separating young people into categories depending on their ability to enrol into education programs. The answer to unemployment among young people without a vocational education or secondary education is thus to oblige them into enrolment by way of tightening benefits – these policies relate to the notion of obligation to education, rather than right to education. Moreover, an education benefit has been introduced to signal that young people under 30 years without ordinary education should not receive the 'normal' benefit. As such, educational benefit and the stress on education for young people indicate a shift from traditional labour market policies to education oriented policies in combating youth unemployment. Educational policy is thus the sine qua non tool to combating youth

unemployment in Denmark.

This is signalled by the so-called 95% aim of the government, namely that 95% of a youth cohort completes at least upper secondary education. Especially, the VET-system has attained a more and more prominent position in Danish reforms, as policy-makers and social partners have realised that a narrow focus on academic education for young people is not adequate for the future labour market, in which skilled labour will be in demand. VET has therefore become high-politics in combating youth unemployment.

The Danish VET-system is based on the dual training principle, i.e. a sandwich process where periods in schools are combined with periods of training in enterprises (apprenticeships). Owing to the continuing high involvement of employers and the heavy government funding, the VET-system in Denmark is considered as a collectivist skill formation system as opposed to for example the Swedish system where employers are marginalized. In Denmark, on the contrary, social partners – trade unions and employers associations – are heavily involved in the governance of VET; an involvement that dates back to in the guild tradition. Corporatist governance structures exist at the macro/national, meso/industry and micro/school level.

The Danish vocational education system has been well placed to counter the worst effects of the crisis on youth unemployment. With its dual structure – combining school periods with apprenticeships – the Danish vocational education system is tightly coupled with the labour market, which helps establishing a relatively smooth school-to-work transition. Upon receiving their degree, students are thus already accustomed to the demands of work life, and the tight integration of employers and unions in the governance structure helps developing vocational education to match industry requirements. Moreover, employers can trust that students having finished their vocational education have both the necessary technical and theoretical skills along with quite extensive experience being in a workplace environment, which is necessary given the relatively high wages for young workers.

According to social partners interviewed for this report, looking back at the pre-crisis period, VET-schools had through the decades become the education institution for 'residual' groups that were not qualified for upper-secondary schooling. A significant turning point came in the wake of the financial and economic crisis. While manufacturing took a very heavy blow in terms of job losses, it also became apparent that university graduates had a very hard time finding jobs – skills obsolescence

and 'lost generations' became a real concern. The political discourse started to change from promoting 'any-kind of university degree' to getting the right university degrees. This coupled with an aim to increase the labour supply with 135,000 people to finance the welfare state in 2020 meant new educational policies. Concomitantly, estimates have shown that the labour market shortage in 2020 would in fact be for skilled workers – educated in VET-schools – while there would be an over-supply of unskilled workers. While the latter point about unskilled workers was no surprise, the former point about skilled workers was, and it underlined that a myopic focus on university degrees was not sufficient to meet the skills-demands of the future.

The main challenge of the dual structure relates to the transitions inside the vocational education system. In recent decades a number of issues have put pressure on the Danish vocational education system. First, the system has been challenged by a lack of apprenticeship positions, which has had a consequence that too many students drop out before getting a degree. It has also led to students shuffling between programs leading to rising costs of education. Although recent reforms have strengthened the youth guarantee by offering school based apprenticeships, a lack of company based apprenticeships is still considered a major problem for vocational education in attracting the best and brightest students. Second, and following this, the esteem of Danish vocational education has been hurt by the continued rise in uptake in Gymnasium and previous governments' expansion of tertiary education. Vocational education has thus come to be considered something of a 'dead end' for young people – an option for those who cannot manage a tertiary education. Third, the strong emphasis on activation through education has meant that vocational programs have accepted a large number of students with little motivation and a weak school record, adding further to the waning quality of education and teaching and hurting the reputation of vocational education.

Recent reforms have sought to address these challenges to Danish vocational education. The most recent reform of Danish vocational education, called 'Bedre og mere attraktive erhvervsuddannelser' (Better and more attractive vocational education), presented in an agreement between government and opposition (excluding 'The Unity List') in February 2014, has been particularly important in building a political consensus around the centrality of high quality vocational education for economic growth in Denmark. Although to a large extent characterized by continuity in key areas of Danish vocational education – notably by bolstering the central role of the social partners, and seeking to create strong bridges between vocational education and higher education – the reform also introduces significant gradual transformations, notably with the grade requirements for entering vocational education. The introduction of grade requirements signifies a stronger emphasis on building a strong reputation for vocational education at the expense of its role of social integration. An

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important outcome of the reform is thus a changed political discourse on vocational education: from leaving VET in the shadow of tertiary education to placing it centrally in the growth agenda of Danish politics.

The 2014-reform of Danish VET looks like a case of institutional layering, where an institutional element representing a different logic of action – the grade requirements – is attached to the existing institutional setup, leading to a re-balancing of the focus of the policy area, i.e. the increased focus on the esteem and quality of vocational education may come at the expense of the role that vocational education has played in social integration of working class youth as the weaker members of this group is left in other programs to qualify for entrance. With the reform still in the implementation phase, it is still too early to say what these gradual shifts will amount to in the long run. Notwithstanding the longer term consequences of the reform, in our interviews we found that what was most important for the stakeholders, especially the social partners, was that vocational education was at the top of the policy agenda.

The policy learning framework of Danish VET has been important for developing recent reform efforts. The report has highlighted two main policy learning channels and has illustrated their interaction in VET reforms: 1) Continuous feedback and recommendations from social partners in macro-, meso-, and micro-level corporatist bodies, and 2) evidence-based adjustments using a common knowledgerepertoire based on micro-data on students and school-to-work transitions. The two channels of policy-learning are to some extent complementary as they fulfil different but mutually supporting functions. The corporatist channel produces practical information and recommendations that can at once inform policy reform and facilitate its implementation because key stakeholders are involved. The channel is historically based on the guilds tradition and serves as practical knowledge about what skills are needed and how policies should attempt to match VET-programs with the labour market 'realities'. The common knowledge-repertoire based on micro-data produces analyses that policymakers use to update their statistical knowledge on the performance of VET-programs, which then might feed into policy innovation. The channel is recent and has gained prominence due to its clear potential for evaluating performance of schools and programs in line with more general trends of new public management tools. Finally, it is worth noting that the reform presents a specific set of goals for evaluating the success of the reform. These goals are to be used on a general level to continually judge how well the reform is working, but also on the level of specific vocational education institutions to measure their success, as well as to compare educational institutions.

Key words: Policy innovation, Youth Unemployment, Denmark

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Abbreviations

ALMP: Active labour market policies

CVET: Continuous Vocational Education and Training

DA: The Federation of Danish Employers

DI: Confederation of Danish Industry

EPL: Employment protection legislation

EUD10: A vocationally oriented 10th grade that aims to prepare students for entering vocational

education

EUV: Vocational education for adults

EUX: Higher secondary education

FU: The National Trade Committees

IDA: Integrated Database for research of the Labour-market

LO: The Danish Confederation of Trade Unions

LUV: Local training committees

NEETs: Young people not in employment, education or training

R&D: Research & Development

REU: The Advisory Council for Initial VET

R-M: Rehn-Meidner

SU: Danish education stipend

VET: Vocational education and training

Introduction

The report provides an overview of developments in Danish VET and policies concerning school-to-work transitions, with a special emphasis on the most recent reform of Danish vocational education 'Bedre og mere attraktive erhvervsuddannelser' (*Better and more attractice vocational education*), presented in an agreement between government and opposition (excluding 'The Unity List') in February 2014.

The report is based on a review of existing literature on Danish VET, policy analysis and six interviews with key stakeholders like The Federation of Danish Employers, Confederation of Danish Industry, The Danish Confederation of Trade Unions, Danish Vocational Schools, and The Danish Agency for Labour Market and Recruitment.

The report has five sections. The first section provides an overview of the institutional framework for combatting youth unemployment and facilitating school-to-work transitions (SWT), focusing on Danish flexicurity model and the labour market for young people. Section 2 zooms in on policies targeted at youth unemployment and gives and overview of most recent reforms directed at young people. In this section, we argue that educational policy – and especially VET – is the sine qua non tool to combatting youth unemployment in Denmark. Section 3, describes the governance structure of Danish VET and the impact of the economic crisis on the political debate concerning VET. Section 4 analyses the structure of the policy learning system in Danish VET together with the barriers and triggers for policy innovation. Section 5 presents an overview of the significant changes brought on by the 2014-reform of VET. Section 6 analyses and discussed the degree of institutional change that has resulted from the reform. The final section concludes the report.

1. Background: Danish flexicurity and the labour market for young people

In this background section, we outline the main institutional framework with regards to labour market policies and industrial relations and consider the implications of the Danish institutional framework for younger workers. We do so by showing how the so-called Danish flexicurity model affects the employment opportunities for young people. Scholars have described the balance between labour market flexibility and social security as the 'Golden Triangle' and stress how relaxed employment protection legislation and thus high external numerical flexibility is balanced with high spending on active and passive labour market policies which ensure high employment and income security (Bredgaard et al. 2009).

Relaxed employment protection legislation (EPL) should make employers less risk-averse in hiring labour – including young workers – as they can easily shed it again. The restrictions in Denmark are few. Collective agreements at industry level stipulate certain short notice periods for production workers according to seniority, while the Law for Salaried Workers determines notice periods for salaried workers. The latter are substantially longer than for production workers – begging the question if the 'Golden Triangle only applies for blue-collar workers (Jensen, 2011). Other than that there were no regulatory restrictions to redundancies until 2010 when social partners agreed to a modest severance payment for senior workers – giving a relative edge for younger workers. None of these provisions are up for negotiation at company level.

Studies suggest that the 'Golden Triangle' has made Danes more attuned to mobility between jobs: they feel secure during transitions due to the comprehensive and generous unemployment benefits system (Bredgaard et al 2009). The cost of economic restructuring in other words lies with the state and not the individual (Katzenstein, 1987). It is important to bear in mind that the Danish system for active labour markets is divided into a system for insured workers (dagpengemodtagere) and a system for the uninsured (kontanthjælpsmodtagere). Before the 2004/7-reform of the employment policy system, the former workers will receive help from their unemployment benefit fund (UBF, in Danish: A-kasse), while the latter are directed to municipal jobcentres. Today, this system is integrated giving the municipal jobcentres a primary role in conducting visitation of the unemployed, job matching, individual job/education planning etc. while the UBF provide guidance on job search and courses, pay benefits, etc. (Mailand, 2008).

The 'Golden Triangle' in its now famous setup did not appear until 1990s when the Social Democratic government introduced novel elements to the active labour market policies (ALMP) – especially activation – in order to circumvent the adverse labour supply effects from high benefits on employment (Madsen, 2006). The new ALMP regime as such married a social democratic focus on vocational education and training (VET) and continuous VET (CVET with neo-liberal focus on 'workfirst' through e.g. activation.

Danish scholars have frequently acknowledged, however, that the impressive record cannot solely be explained by the 'Golden Triangle' and that fiscal policies and industrial relations must be considered if we are to understand developments since the 1990s (Ibsen and Mailand 2009; Madsen 2006). In line with this, both van den Berg (2008) and Klindt (2008) have argued that Danish policies during the 1990s to a large extent resemble the Swedish Rehn-Meidner (R-M). Klindt (2008) has illustrated the connections of Danish flexicurity policies during the 1990s and onwards with the R-M model in the below figure:

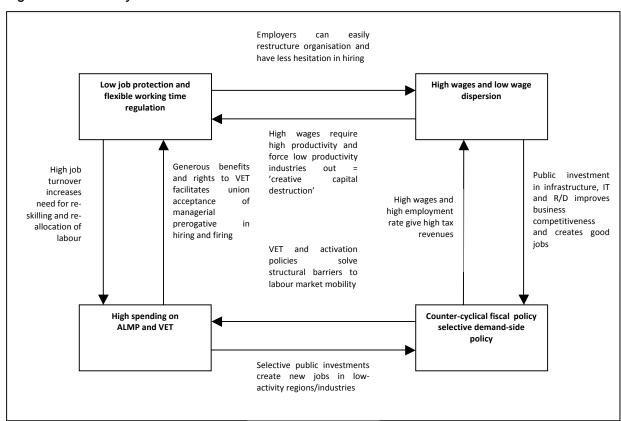


Figure 1: Flexicurity model and labour market

Adapted from Klindt (2008)

Contrary to much post-war economic thinking, the policies are not based on Keynesian demandstimuli as price stability is put at the core of the model through a restrictive fiscal and monetary policy under normal business activity. Instead, fiscal and monetary policies can only be used selectively to counter severe depressive tendencies in the economy. As Klindt (2008) argues, this actually was the policy of Danish governments during the 1990s.

R-M model also prescribes egalitarian wage setting through encompassing collective bargaining that ensures equal pay for equal jobs and unequal pay for unequal jobs according to skill levels. The egalitarian wage setting and restrictive monetary and fiscal policies will moreover squeeze profit margins and force unproductive companies to either go out of business or rationalize, i.e. an element of 'creative destruction'. Conversely, very productive companies will refrain from paying excessive wages due to the centralized wage setting, hereby off-setting inflationary wage-spirals. For younger workers, this means that they should be relatively productive from day one when they enter the labour market, as very low-entrance wages are not an option. Evidently, this is different when younger workers enter the labour market through apprenticeships that are remunerated lower than standard employment according to collective agreements.

R-M and 'Golden Triangle' resemble each other when it comes to the role of mobility and ALMP. R-M envisions that mobility between jobs is essential to keep the aim of full employment and anti-inflation. ALMP such as on-the-job retraining, CVET and relocation grants together with matching actions (primarily public information services) should facilitate mobility and create more job-openings for entrance to the labour market. If wage-setting is not to be the main allocator of labour, then ALMP will be (Erixon, 2008; Klindt, 2008). Mobility is – as noted – cushioned by income security in job transitions, high unemployment benefits, again resembling the 'Golden Triangle' in theory.

Wages and employment conditions are primarily regulated through collective agreements the contents of which have gradually been decentralized to the workplace through framework agreements at industry-level. This process took place for wages in the 1990s as mandatory wage-rates were turned into minimum levels – albeit at internationally high levels – thus giving some form of in-work income security (Ibsen & Mailand, 2009). Only approximately 15 % of private sector employment covered by collective agreements has wage levels set in central agreements. The rest have either minimum wage systems or figureless agreements (DA, 2014).

While there exists a strong cross-industry coordination of wage increases (Ibsen 2013), it is important to note that the flexible wage systems in Denmark – not least for white-collar workers with figureless agreements – give considerable wage flexibility that was not envisioned in the R-M model. As a minimum, the abolition of any upper-limit to local wage deals as of 1993 means that high-productivity companies run the risk of inflating wages, but downward wage flexibility is *de facto* also part of the system as the minimum wage levels are far below the actual wages. Thus, market entrants may be

hired at comparatively low wage levels, but they are guaranteed a minimum wage. However, as the bargaining coverage is not 100 % in the private sector, uncovered companies can – in the absence of statutory minimum wages – hire younger workers at very low wages, such as in hotels/restaurants and retail, however these workers often move out of low wage employment, usually after their studies (Westergaard-Nielsen 2008).

Another essential difference is the considerable decentralization of working time and the equally important elimination of job demarcations in especially manufacturing. These changes have on one hand increased flexibility and eroded protection of labour market insiders – thus increasing jobentrance for younger workers – but they also increase the demands on workers to be flexible which excludes certain groups that cannot live up to flexibility demands, e.g. due to work-life imbalances (Ilsøe 2010).

In sum, the institutional framework in Denmark should create many job-openings for younger workers thus facilitating smoother school-to-work transitions. However, with high reservation wages and collectively agreed minimum wages, there is a strong demand for young workers to be productive from day one. This is turn puts a strong pressure for employment-relevant VET. It is to this issue that we turn to later part 3 of this report. Before, we sketch out the policies targeted at combating youth unemployment where we establish the sine qua non importance of education and especially VET.

2. Background: Policies targeted directly at youth unemployment

In this section, we present 1) the youth unemployment situation in Denmark, 2) the main policies targeted at youth unemployment and 3) an overview of the most recent reforms. We argue that educational policy is the sine qua non tool to combatting youth unemployment in Denmark. This is signaled by the so-called 95 % aim of the government, that 95 % of a youth cohort complete at least upper secondary education. Especially, the VET-system has attained a more and more prominent position in Danish reforms, as policy-makers and social partners have realised that a narrow focus on academic education for young people is not adequate for the future labour market in which skilled labour will be in demand. VET has therefore become high-politics in combating youth unemployment. The sections following this one, will therefore zoom in on VET and reforms thereof.

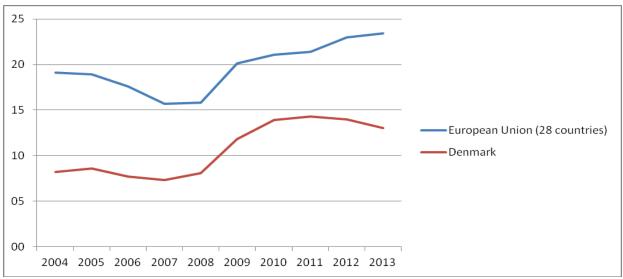


Figure 2: Youth unemployment EU and Denmark, 2004-2013

Source: Eurostat. Annual averages unemployment rates for individuals less than 25 years old (not seasonally adjusted)

Historically, the Danish youth unemployment rate has been considerably lower than the EU-average and even during the crisis years since 2008 it has not risen above 15 per cent. In the first quarter of 2013, Denmark had the fifth lowest youth unemployment rate in the EU (excl. France due to data problems) (DST 2013). In addition, the share of so-called NEETs (young people not in employment, education or training) is quite low at approximately 8-10 per cent of young people aged between 15-

29 years (Eurofound, 2012). Compared to the European Union average of 15.4 per cent, Denmark belongs to the cluster of lowest NEET rates together with Sweden, Netherlands and Luxembourg.

The relatively low youth unemployment rate has affected the policies directed at youth employment and school-to-work transitions in a number of ways. Increasing the labour supply has been a primary policy goal rather than combatting youth unemployment per se. The background for aiming policies at labour supply is the demographic changes in Denmark with large cohorts retiring from the labour market in the near future. With demand being strongest for higher educated workers, there has been a push for designing incentives for young people to enrol into education – either vocational or upper-secondary education – and incentives to make young people finish education faster than hitherto. The paths to employment are different depending on prior education. The figure below shows the rules for the employment efforts for young people in Denmark.

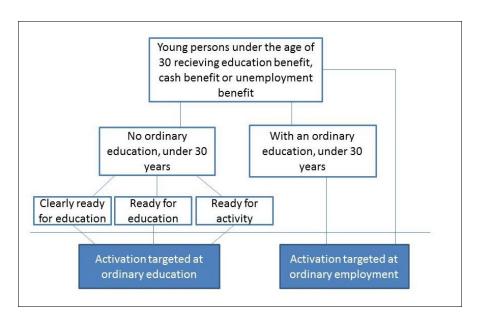


Figure 3: Rules for employment efforts

Source: Ministry of Employment 2014: 16

The logic in these rules is that young individuals have different preconditions. Thus, for young people with no ordinary education an assessment is made if they are ready for education. Based on the readiness, different measures will be taken to address the specific barriers that the young person might face for enrolling in ordinary education. For young individuals who already have an ordinary education, the activation is targeted at ordinary employment.

A key ingredient in Danish policies has been to reform the benefit structure for young people. Below is an overview of the benefit types for young people and how education is stressed rather than normal passive unemployment benefits.

Table 1: Overview of benefit types for young people

Unemployment	All unemployed persons who are insured through an unemployment
benefit (dagpenge)	insurance fund (A-kasse) have the right to receive unemployment benefit.
Cash benefit	An unemployed person above 18 can receive cash benefit if the person is
(kontanthjælp)	not able to provide for herself and the person is not eligible for
-	unemployment benefit or retirement benefit.
	Concerning all young unemployed persons below 30 years without ordinary
	education, the cash benefit reform replaced cash benefit with education
	benefit. Unemployed persons above 30 years with or without education and
	persons below 30 years with an ordinary education, still receives cash
	benefit.
Education benefit	All young unemployed persons below 30 years old without education,
(uddannelseshjælp)	receives education benefit as a result of the cash benefit reform. The rate
	corresponds to the state educational grant and loan scheme rate, which is
	lower than cash benefit.
	In this way the young people does not experience a lower rate when
	beginning an ordinary education, which was the case receiving the former
	cash benefit rate.
	Recipients of education benefit who has challenges, i.e. they are not able to
	begin and follow through on an ordinary education within a year, have the
	right to receive a higher rate of benefit after three months, if they participate
	in an active offer or receive mentor-support in cases where participation in
	an active offer is not possible.
State educational	Danish students are entitled to public support for further education -
grant and loan	regardless of social standing. There are two main support programmes.
schemes (SU)	One is the grant for people over 18 year following a youth education
	program.
	The other support programme is for students enrolled in a higher education
	course. These students are entitled to a number of monthly grants
	corresponding to the prescribed duration of the chosen study, plus 12
	months. Inside a maximum of 70 grants students can change from one
	course to another. If the student is taking a higher education programme
	and used all his/her study grant portions, the student can get a completion
	loan. The student can receive a completion loan in the last year of studies.

Source: Ministry of Employment 2014: 11-12

As can be seen in the table, the novel education benefit is introduced to signal that young people under 30 years without ordinary education should not receive the 'normal' benefit. As such, educational benefit and the stress on education for young people signals a shift from traditional labour market policies to education demands on the young people.

To make this shift possible a variety of efforts by several actors is activated – including social partners. The table below shows what actors are involved and what their roles are. We give more details to the specific involvement of social partners in VET in the sections to follow.

Table 2: Overview of main actors

Provides guidance services for young people up to the age of 25. Vocational Education and Training including stakeholder involvement Production Schools Development of personal, social and professional skills to enhance opportunities for continued education or transition to stable employment. Job centre Establish matches between job seekers and enterprises and general job-related guidance. If the unemployed is without an education, the job centre coordinates the effort to-wards education. Municipalities Manage the job centres. Youth Units Provide cross-sectoral efforts to young people. Enterprises Unemployment insurance funds Pay out benefits and provide advice and job-related guidance to members. Provide advice about employment measures to the job centres and vocational educational	Actor	Role in the employment effort		
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job centre coordinates the effort to-wards education. Municipalities		enterprises and general job-related guidance.		
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Municipalities Manage the job centres. Youth Units Provide cross-sectoral efforts to young people. Enterprises Possible employers. Unemployment insurance funds Pay out benefits and provide advice and jobrelated guidance to members. Social partners Provide advice about employment measures		job centre coordinates the effort to-wards		
Youth Units Provide cross-sectoral efforts to young people. Enterprises Possible employers. Unemployment insurance funds Pay out benefits and provide advice and jobrelated guidance to members. Social partners Provide advice about employment measures		education.		
people. Enterprises Possible employers. Unemployment insurance funds Pay out benefits and provide advice and jobrelated guidance to members. Social partners Provide advice about employment measures	Municipalities	Manage the job centres.		
Enterprises Possible employers. Unemployment insurance funds Pay out benefits and provide advice and jobrelated guidance to members. Social partners Provide advice about employment measures	Youth Units	Provide cross-sectoral efforts to young		
Unemployment insurance funds Pay out benefits and provide advice and jobrelated guidance to members. Social partners Provide advice about employment measures		people.		
related guidance to members. Social partners Provide advice about employment measures	Enterprises	Possible employers.		
Social partners Provide advice about employment measures	Unemployment insurance funds	Pay out benefits and provide advice and job-		
		related guidance to members.		
to the job centres and vocational educational	Social partners	Provide advice about employment measures		
lacksquare		to the job centres and vocational educational		
institutions.		institutions.		
Regional growth fora Prioritize the European Social Fund in	Regional growth fora	Prioritize the European Social Fund in		
Denmark.		Denmark.		

Source: Ministry of Employment 2014: 15

One key challenge for the efforts is coordination of the many actors involved. This is, moreover, complicated by the many reforms of the labour market policies, benefits and educational policies in the recent years. Indeed, it is simply too early to tell whether new policies are effective compared to the old ones.

The table below summarises the most recent major reforms directed at combatting youth unemployment with special attention to school-to-work transitions. It covers the most important reforms during the last decade and reports the main policy goals of reforms together with the chosen policy instruments.

Table 3: Major reforms directed at combatting youth unemployment

Reform – year	Policy goals	Policy instruments
Flere i Arbejde – 2003	Remove young	Activation
	unemployed away from	 Reduction of benefits for uninsured
	passive benefits	individuals
		■ Reduction of benefit to education
		stipend (SU) at normal levels
		Right to education offers
En ny chance til alle –	Move young uninsured	Obligation to enrol into education
2006	unemployed (>25 years)	program
	into education programs	Based on visitation/triage procedure
Velfærdsaftalen – 2007	Move young unemployed	Activation
	into education programs	Subsidized employment
		Offer to enrol into education program
Ungeaftalen – 2009	Earlier intervention for	Earlier visitation of young unemployed
	young unemployed	■ New/fewer visitation categories and
	Move young unemployed	matching into education, activation or
	into education programs	ordinary employment
		■ Right to earlier activation (after three
		months of unemployment)
		 Additional funding for jobcentres that
		help young individuals into either
		vocational apprenticeships or
		subsidized jobs
Ungepakke – 2011	Targeted reduction of	■ Campaign to raise awareness about
	youth unemployment for	young academics in private

Reform – year	Policy goals	Policy instruments
	certain groups	companies
	School-to-work transition	 Extra funding for jobcentres to find jobs
		in the construction sector
		Job rotation for young academics
		■ Basic courses for young individuals
		without secondary schooling
		Subsidized training-jobs
		■ Campaigns for more
		apprenticeships/trainee positions
Fremdriftsreformen –	Reduce time that	Obligations to study full-time
2013	students take to finish	 Sanctions against universities
	university degree	Tightening of education stipend rules
		(SU)
Reform af førtidspension	Move young people from	■ Tightening of eligibility to early
	early retirement to labour	retirement for young people under 40
	market participation	years
		■ New 'resource process' in which the
		citizen will receive a multi-facetted
		help depending on social, cognitive
		and physical needs.
Bedre og mere attraktive	Increase the enrolment	■ Better information about vocation
erhvervsuddannelser –	of students to vocational	education programs
2014	education programs	Restructuring of vocational schools
	Decrease the number of	■ Introduction of campus-model for
	students dropping out of	vocational schools
	vocational education	Higher entry-requirements to increase
	programs	quality of in-take
		■ Facilitate transition to upper-
		secondary/University programs
		More class-based teaching
		■ More support for company-based
		internships
Kontanthjælpsreformen	Move young uninsured	 New and earlier visitation procedure
– 2014	unemployed into	based on higher degree of
	education programs	individualisation to match the
	' ' '	

Reform – year	Policy goals	Policy instruments	
	(when they have not	individual with education program =	
	finished vocational	three groups: 1) immediately	
	education or upper	education-ready, 2) education-ready	
	secondary education).	w. need for help and 3) activation-	
		ready (cannot start education due to	
		cognitive, social or health issues).	
		■ Visitation done in employment agency	
		during three months and with min.	
		three meetings with the unemployed	
		■ Obligation to enrol in education	
		program	

Sources: Various acts and policy documents by Danish Government

A key issue in the reforms is that young people should not be on passive benefits unless cognitive, social, or physical conditions do not allow the individual to be active. The visitation procedures have gradually been revised and focused on separating young people into categories depending on their ability to enrol into education programs. The answer to unemployment among young people without a vocational education or secondary education is thus to oblige them into enrolment by way of tightening benefits – these policies relate to the notion of obligation to education, rather than right to education.

Visitation is thus of great importance and here the public jobcentres have a major role – a role that has become even bigger with the latest reform for uninsured young individuals. Earlier and more precise visitation is needed to match young people with the right education program and the question is whether these agencies are up to the task. The division of labour between the various agencies since the 2004/2007 reform has been a major challenge to the provision of ALMP. Often the municipal agencies have been criticized for not being up to the challenge of conducting visitation, job matching, offering courses etc. (Rasmussen, 2012). A major challenge has been to procure relevant job offers and education programs to the unemployed.

Moreover, payment of benefits has been tightened gradually and the level of benefits has been reduced for young unemployed. There is some evidence suggesting that this has reduced the unemployment spells for young people (Kraka, 2014). Moreover, subsidized jobs/internships in private companies seem to have a reducing effect on the unemployment spell of young people, while education programs might lengthen the unemployment spell in the short run – which of course should be seen in relation to the positive effect of education in general (Damvad, 2013, see also below).

Critics, however, argue that incentives that push unemployed into jobs as quickly as possible might not work for all unemployed – and that the success rate depends on correct visitation and tailoring to the individual (Larsen, 2012). Moreover, reforms of labour market policies are seemingly being done more and more without the active participation and influence of social partners, thus breaking with the corporatist tradition in Denmark (Rasmussen, 2012).

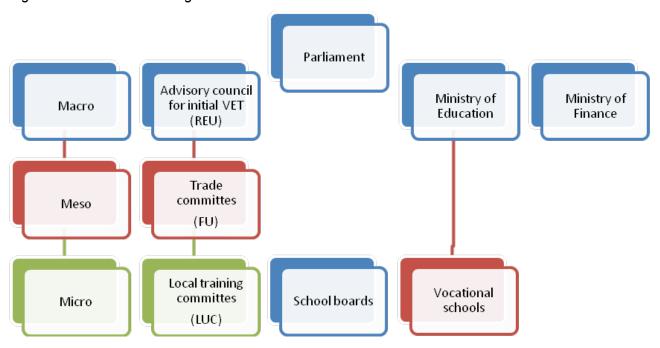
In sum, the key policy to combat youth unemployment is education. In this regard, as we develop below, the VET-system has attained a more and more prominent position in Danish reforms, as policy-makers and social partners have realised that a narrow focus on academic education for young people is not adequate for the future labour market in which skilled labour will be in demand. VET has therefore become high-politics in combating youth unemployment.

3. Governance and economic structure for VET and SWT

The Danish VET-system is based on the dual training principle, i.e. a sandwich process where periods in schools are combined with periods of training in enterprises (apprenticeships). Owing to the continuing high involvement of employers and the heavy government funding, the VET-system in Denmark is considered as a collectivist skill formation system (Busemeyer & Trampusch 2011) as opposed to for example the Swedish system where employers are marginalized. In Denmark, on the contrary, social partners – trade unions and employers associations – are heavily involved in the governance of VET; an involvement that dates back to in the guild tradition (Nelson 2011; Due et al. 1993; Busemeyer and Trampusch 2011).

VET and CVET are integrated to make sure that the two match each other and facilitates life-long learning (Søndergaard et al. 2008). Social partners are involved at both macro-, meso- and micro-level of the VET-system as well as the CVET. The basic structure of the VET-governance can be depicted as in the figure below:

Figure 4: Structure of VET-governance



At the macro level, the Ministry of Education is the executive head of the VET-system with the administrative responsibility for legislation on VET passed in parliament, and it approves all new VET qualifications and provides the governance framework for other stakeholders – most importantly the social partners. Moreover, it is responsible for evaluating programs and assuring their quality – an issue that will become more important in the future (see section 4 on the 2014-reform). The Ministry of Education is, however, closely aligned with the macro-economic policies and budgetary oversight set out from the Ministry of Finance. In recent decades, the Ministry of Finance has become the main driver or controller of most major reforms to the welfare state, including educational policies, which has enhanced the coordination capacity of the incumbent government but has also, frustrated other ministries.

The VET-system in Denmark is characterized by a strong corporatist involvement of social partners and other affected interest groups – such as students and teachers of the vocational schools. The main actors are, nevertheless, trade unions and employer associations representing workers and employers, respectively, covering the entire range of vocations. This encompassment of social partners is also reflected in the aforementioned collective bargaining coverage rate and there is therefore a great deal of overlap between representation in collective bargaining and the VET-system, originating from the guild-tradition and sustained by the relatively high organization rates in the Danish labour market.

Corporatist governance structures exist at the macro/national, meso/industry and micro/school level. The Advisory Council for Initial VET (REU) today consists of an appointed chairman 31 members from the social partners, the school leader and teacher associations as well as students organisations. Representatives from LO (the Danish Confederation of Trade Unions) and DA (Confederation of Danish Employers) are vice-chairmen. The REU advises the Ministry of Education on all matters concerning the VET system. It is responsible for monitoring labour market trends and making recommendations for new VET qualifications, adaptation of existing VET qualifications or discontinuation of them. Moreover, it makes recommendations for better coordination between programs or the merging of programs. The REU concentrates on general national issues concerning VET provision in Denmark and is the high-level forum for policy deliberation between key stakeholders that can and have taken initiatives to reforms.

At the meso-level, the national trade committees (FU) provide advice to the Ministry of Employment on specific VET qualifications relevant to their industry and on the content, structure, duration and evaluation of programs and courses. Employers and employees are equally represented in the trade committees. Each committee is responsible for one or more VET qualifications. The FUs are key to matching the VET-program with skills-requirements in the companies, and social partners are here

engaged in providing a constant update of the programs based on information from the union and employer association members, respectively. In other words, employers can use their employer associations to gear the VET-programs to new requirements, such as the introduction of new technology. Similarly, trade unions can feed in demands from their members on what will be in demand and how VET-programs are either hindering or facilitating employment. This provides a possibility for constant updating of programs, but also requires that social partners agree on updating programs for the concerned industry. The FUs also approve and inspect enterprises wanting to employ apprentices. Hereby, thet make sure that enterprises will be able to train apprentices in a sufficiently comprehensive way to warrant the journeyman's test in the end. FUs are finally responsible for the final test and for certifying apprentices. FUs are run and financed by the social partners.

At micro-level social partners are involved in two ways. Firstly, the local training committees (LUV) plan VET-programs together with the vocational schools within subnational areas on the basis of the local employment situation. Hereby, the link between the local labour market and its actors and the schools is made. This is the past has included making connections between enterprises and schools with regards to taking on apprentices. Secondly, social partners are equally represented on the school boards of vocational schools and are therefore involved – together with representatives of teachers and apprentices – in budgeting and strategy together with planning of VET-programs in cooperation with the LUVs. The freedom to define and adjust VET-programs at the school level is provided by the framework-character of the general VET-legislation. Thus, a substantial decentralization has taken place since the beginning of the 1990s in order to facilitate adaptation of VET-programs to local needs (Søndergaard et al. 2008).

Similarly to the rest of Europe, manufacturing's share of the workforce has shrunk while services – in both private and public sectors – have increased. In the end of the 1990s, this trend was interpreted as a fundamental challenge to the Danish labour market in three related ways. Firstly, the number of public sector jobs could not continue to increase indefinitely and private sector service jobs should be promoted. Secondly, private sector service jobs necessarily had to be in the high-end to match wage levels in Denmark. Creating jobs in low-wage services was not a viable solution given the Danish collective bargaining system and the relatively high reservation wages. Thirdly, the demographic development meant that large groups of post-war baby-boomers would start to leave the labour market, increasing the pressure on welfare spending and thus requiring higher employment levels and preferably in high-end jobs.

Policy-makers and some interest groups found that the solution to this fundamental challenge was the transition from the service to knowledge-economy, requiring a substantive boost in graduates at

university level. Upper-secondary education was accordingly promoted to increase the number of university students. Framed by the so-called '95 % goal' (95 % of a cohort should take an education after 9 years basic school), this meant a strong focus on pushing education. Through financial instruments aimed at giving universities an incentive to increase their uptake – the so-called taximeter-scheme – the number of university graduates did indeed take off. Conversely, VET-programs were somewhat neglected in this debate – seen as a road to the 'old economy'. Combined with a tightening of eligibility to unemployment insurance for persons less than 30 years old, this meant that VET-programs were put in charge of integrating marginalized groups in the labour market. According to social partners looking back at this period, VET-schools became the education institution for 'residual' groups that were not qualified for upper-secondary schooling.

Table 4: Labour market shortage prognosis for 2020

	Work force	Shortage (-) /	Demand-side	Supply-side
	2020	Surplus (+)	Employment-	Employment (B)
		Prognosis (B-A)	prognosis (A)	
	In 1.000s	Change in 1.000s	persons	l
	persons			
Unskilled	645	104	-213	-109
Upper-	349	79	-2	77
secondary				
Skilled workers	932	-30	9	-21
Short post-	169	-50	57	6
secondary				
Medium post-	498	-81	124	42
secondary				
Graduate level	315	-21	97	46
and beyond				
Total	2909	0	71	71

Source: Arbejderbevægelsens Erhvervsråd (2011)

A significant turning point came in the wake of the financial and economic crisis. While manufacturing took a very heavy blow in terms of job losses, it also became apparent that university graduates had a very hard time finding jobs – skills obsolescence and 'lost generations' became a real concern. The political discourse started to change from promoting 'any-kind of university degree' to getting the right university degrees. This coupled with and an aim to increase the labour supply with 135.000 persons to finance the welfare state in 2020 meant new educational policies (Regeringen 2011).

Concomitantly, figures from Arbejderbevægelsens Erhvervsråd (AE, The Economic Council of the Labour Movement) estimated that the labour market shortage in 2020 would in fact be for skilled workers – educated in VET-schools – while there would be an over-supply of unskilled workers (see table below). While the latter point about unskilled workers was no surprise, the former point about skilled workers was, and it underlined that a myopic focus on university degrees was not sufficient to meet the skills-demands of the future.

The crisis and the subsequent slow recovery moreover underlined the need for a more nuanced view on the 'death of manufacturing'. While it was generally true that low-productivity jobs have been relocated outside Denmark, many manufacturing jobs related to research and development remain in Denmark, which underlines the close connection between production and R&D. Skilled labour is therefore a precondition for the knowledge economy not its substitute. This also means that boosting the amount of university graduates will not do the trick – uptake of motivated and strong students to VET-schools should also be boosted. Indeed, there was a realization that some students, who had hitherto been guided towards the upper-secondary schools and university-track, would probably be better off choosing vocational programs instead.

4. Policy learning framework

The history of the Danish VET-system is characterized by a gradual integration into the general education system, while retaining the strong traditions of self-governance by social partners. One important dimension of this integration into the general education system is seen in the policy-learning framework that has come to surround VET. The policy learning framework in VET to a large extent resembles what we know from labour market policy learning and educational policy learning in general, where learning is based on the establishing of common standards and databases used to compare productivity and output. However, learning also occurs through the corporatist bodies presented above, giving numerous channels of learning in the framework.

In this section, we highlight two main policy learning channels in the framework and illustrate how they interact in reforms of VET: 1) Continuous feedback and recommendations from social partners in macro-, meso-, and micro-level corporatist bodies, and 2) evidence-based adjustments using a common knowledge-repertoire based on micro-data on students and school-to-work transitions.

4.1 Corporatist policy-learning

The self-governance of VET by social partners is a longstanding feature of Danish VET (Bøndergaard, 2014), which not only secures social partners substantial power in the system, but also institutionalizes continuous policy-learning through the feed-back and recommendations of social partners to the Ministry of Education at macro-, meso-, and micro-level. In general, the bodies perform the function of continuously updating the education programs and fitting them to labour market needs to ensure the relevance and quality of the programs. This general principle goes back to the guilds-tradition but has been integrated with the policy-learning framework of the Ministry of Education over time (Nelson, 2011).

At the macro-level, the REU advises and recommends the Ministry on general matters where cross-industry coordination is needed. This could be called macro-corporatist policy learning, in which peak-level organizations and the Ministry adjust the structure of programs according to macro-level skills-demand and economic developments. As such, the REU presents social partners, civil servants and politicians with a forum in which they can exchange ideas and discuss trends and challenges of the future. An important element in this cross-industry coordination is the inputs from FUs that are required to produce an annual report on the skill requirements in the respective industries and

whether restructuring of programmes are needed. This input is then used by the Ministry of Education and in cross-industry deliberations in the REU.

Moreover, the REU provides a macro-level forum to facilitate coordination 'downwards' to meso-level members, e.g. trade unions that are members of the LO, or employer federations that are members of DA, which ensures that policy-ideas can be tested with the FUs before they are decided. The importance of such cross-level coordination can be illustrated by the government's attempt in 2004 to force FUs to establish shorter vocational programs for young people. Without the support of the social partners, this attempt was a failure as very few young people joined it (Juul and Jørgensen 2011). This shows that cross-level coordination is important for the policy innovation – not just because lower levels can block proper implementation – but because the viability of policy ideas can – and should – be tested ex ante through the close connections between confederations and federations of social partners.

As mentioned above, the meso-level plays a crucial role for policy learning as the FUs transmit vital information about the performance and development of VET-programs. The information is of a very practical nature and transmitted by the relevant actors that organize apprentices and employers, respectively, in the concerned industries. These actors are supposed to have first-hand knowledge of which skills will be needed in the present and in the future. Accordingly, the relevant social partners based on labour demand, new technology and student uptake, to ensure that skill-supply is matched to skill-demand, continuously monitor programs. This process is on going and requires a high degree of cross-level coordination with micro-level bodies and the REU. The FUs can be said to continuously learn from their experiences and from the feedback they get from local affiliates. Moreover, a substantial information-sharing occurs within the FUs on best practices in certain schools or companies and this information is transmitted across schools and companies but also upwards to participants in the REU that can then use it in their policy deliberations.

Some criticism has, however, been raised by business associations that FUs are ill-suited for policy-learning as they protect vocational demarcations and therefore obstruct the uptake of new techniques or technologies that perhaps cut across demarcation lines (Jørgensen, 2014). It is therefore a requirement that the annual reports from the FUs to the Ministry of Education also consider the development of programs and potential the termination of programs. To the latter end, the Ministry monitors employment rates of programs, and can take measures if rates are too low (Jørgensen, 2014: 13). Monitoring and evaluation has become a key-element of the policy-learning framework as we explain below.

At the micro-level, LUVs and school boards provide information and deliberate with higher-level bodies to ensure that important local conditions are taken into consideration. School boards, furthermore, can have high-level representatives from the social partners, thus making it possible for certain actors to obtain direct information on the 'realities' of the schools which can then feed into higher-level policy-deliberation and innovation¹. At the micro-level, school boards, LUVs and company representatives from important companies in the local area interact and discuss the apprentice-situation for the local labour market – something that hinges upon the presence of shop stewards and work councils in the concerned companies (which is most prevalent in larger companies (Navrbjerg et al. 2010)). Thus, policy learning at the micro-level is also highly corporatist and the organizational relations between local union/employer affiliates and their federation facilitate the coordination with higher-levels, most notably the FUs.

4.2 Common knowledge-repertoire based on micro-data

As the VET-system has gradually become more and more integrated with the general system of education in Denmark, some of the governance-tools known from other policy areas have come to dominate the policy-learning framework. During the post-war years, various commissions set out to map and monitor the VET-provision of different schools and programs with the clear aim of facilitating employment creation for the baby-boomer cohorts by matching skills with labour market demand (Bøndergaard, 2014). The quality and richness of statistical data for this endeavor has gradually improved as micro-data on Danish citizens have become more and more advanced.

Two key developments in this regard are worth mentioning: Firstly, since 1981 students of all educations are tracked in the so-called Student Register which is a longitudinal register that follows the educational trajectory of each individual throughout all their educational programs and covers educational careers starting from preschool to PhD. All public recognized educational programs are included. Secondly, since the beginning of the 1990s the so-called Integrated Database for research of the Labour-market (IDA) that provides employment related micro-data on employees and employers that 1) connects individuals with establishments and establishments/firms, 2) is longitudinal, and 3) is universal, i.e. contains all individuals and companies with a social security and firm registration number, respectively (Timmermans, 2010). The possibility to gather very detailed information on each individual and establishment comes from the detailed tax-systems in Denmark.

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¹ One of our respondents, a member of the directorship of the Danish Confederation of Trade Unions, has for example been member of a board of a vocational school for over 20 years and referred to this membership as a useful way of gaining shop-level understanding of the challenges of vocational schools.

Combining these two very rich data sets – and others – it is possible for government, researchers and political organisations - with due permissions - to tap into detailed, longitudinal data on students and how they fare during and after ended VET-programs. Beginning in the 1990s and especially during the 2000s this has produced policy-learning through evidence-based studies of how different indicators such as employment/unemployment, programs perform on kev employment/unemployment and type of employment (e.g. wage level, isco-code, working time) (Jørgensen, 2014). This has given the government a strong measuring tool vis-à-vis VET-schools and each VET-program together with their respective social partners, which has also been used as a sledgehammer against proponents of the status quo. Jørgensen (2014: 13) reports that the Ministry of Education has initiated and funded no less than 30 external studies of VET-programs since 2008 to support the renewal of vocational programs. This kind of policy learning obviously challenges the near monopoly of knowledge that social partners had before.

It would be wrong, however, to suggest that the use of micro-data and evidence-based learning is restricted to the government. Indeed, social partners and their analytical departments tap into microdata as well and as such the registers provide a common knowledge-repertoire for the affected actors (Interviews w. LO-rep and DI-rep, 2015). This also means that proposals for policy-change are almost invariable supported by studies using the common data about which all relevant actors recognize as valid. Recently, the Economic Council of the Labour Movement (Arbejderbevægelsens Erhvervsråd, 2015) has documented the problem of providing apprenticeships using these data. And in a remarkable cooperation between the employer association in manufacturing - Danish Industry - and the Economic Council of the Labour Movement, the two organisations used the data to document the under-supply of skilled workers in the future (Arbejderbevægelsens Erhvervsråd and Dansk Industri, 2013). By tapping into the same data sources, the identification of policy problems and failures become less contestable because at outset everybody uses the same data. This does not - of course - preclude disagreement over how to analyze data. Indeed, one of the key discursive battles between organised actors is about underlying assumptions used in data analysis, e.g. of projected skillsdemand for the future. The consensus over data sources also carries the risk of myopia, since alternative and critical perspectives may be left out of discussions.

To sum up, the two channels of policy learning are to some extent complementary as they fulfill different but mutually supporting functions. The corporatist channel produces practical information and recommendations that can at once inform policy reform and facilitate its implementation because key stakeholders are involved. The channel is historically based in the guilds tradition and serves as practical knowledge about what skills are needed and how policies should attempt to match VET-programs with the labour market 'realities'. The common knowledge-repertoire based on micro-data produces analyses that policy-makers use to update their statistical knowledge on the performance of

VET-programs, which then might feed into policy innovation. The channel is recent and has gained prominence due to its clear potential for evaluating performance of schools and programs in line with more general trends of new public management tools. The channels, however, often come into conflict if statistical analyses clashes with stakeholder knowledge and interests, e.g. when the former recommend shorter VET-programs for quick labour market-inclusion of young people to the distress of social partners.

5. 2014-reform of VET in Denmark

After years of a declining uptake of young students in vocational education, and a significant increase in uptake of young students in gymnasium, a primary aim of the comprehensive reform of the Danish vocational education system – agreed in February 2014 by government and opposition (excluding the Unity List) – was to increase the prestige of vocational education (Regeringen 2014). Specifically, the reform aims 1) to increase the uptake of students in vocational education directly from primary education; 2) to decrease the dropout rate and 3) to support the status of vocational education as youth education. The reform consists of a number of measures that can be broken down into two overall and interconnected focus points: On the one hand, increasing the attractiveness of vocational education and reducing dropout rates, and, on the other hand, improving the quality of teaching and education.

5.1 Increasing attractiveness of vocational education and reduce drop-out rates

5.1.1 Simplifying the educational structure

An important aim of the reform is to avoid that students either postpone starting their vocational education until they have finished gymnasium, or that students begin several programs until they finally decide which program they want to finish. The way that the reform seeks to achieve these goals, is by changing the structure of entry points into vocational education. The reform thus transforms the previous 12 entry points into four main vocational study areas: Care, health and education; administration, trade and business service; food, agriculture and experience; and technology, construction and transport. Students that apply straight out of primary education (finishing either 9th or 10th grade), begin the first part of their basic course (1. grundforløb) in one of these main areas. In the first part of the basic course, students are taught general vocational competences relevant for their main area, and informed about possibilities for gaining apprenticeships, to enable an informed choice of specialization. The first part of the basic course lasts 20 school weeks (out of a 40week school year). Students are only allowed to take the first part of their basic course once, which means that students will not be able to 'float around' between different introductory courses - once at student has chosen a main area, he or she will only be allowed to choose a second basic course within this area. The introduction of the new first part of the basic course has as a consequence that the maximum duration of the vocational education programs increases from 4 years to 4 years and 6 months. In the second part of the basic course, which also takes 20 school weeks, teaching is more specifically targeted one of the 107 vocational education programs. As part of the reform, the national trade committees (FU) get more influence on determining educational requirements for the second part of the basic course. The second part of the basic course is finished with a test, the content of which is decided by the FUs that must be passed for the student to gain entrance to their specialization.

The division between younger students and students above 25 years entails the creation of a specific structure for the latter group, called EUV (*Erhvervsuddannelse for Voksne*, vocational education for adults). The division between younger and older students is based on the aim of creating a more youth oriented teaching environment for younger students (see below), as well as the notion that older students have relevant prior experiences and learn faster than the younger students. Following the reform, students above the age of 25 enrol straight into the second part of the basic course (2. grundforløb), which as mentioned runs for 20 weeks. The new EUV-structure offers different routes to vocational education depending on the prior experience of the student, which is systematically assessed according to standards² developed by the social partners through the FU committees. The FU-committees are also responsible for developing the specific structure of the EUV for the different programs.

5.1.2 Improving the educational environment

To make vocational education a more attractive choice for young people under the age of 25, and especially students starting their training after primary school (usually around 15-16 years old), the reform seeks to establish an youthful education environment. The social dimension – receiving education in classrooms with peers as well as going to social events together – is considered an important dimension in decreasing dropout rates. This part of the reform is inspired by analyses of the importance of the educational environment of vocational education showing a tendency among young people out of primary education to consider themselves too young for vocational education, because they do not experience a youthful education environment in the vocational schools (Dansk Evalueringsinstitut 2013 is specifically referred to in the political agreement on the reform). Following the reform, pupils of 25 years and above will be part of the new vocational education for adults (EUV) and thus not receive education with the younger pupils. Moreover, similarly to teaching in the gymnasium, students will in their basic course receive teaching in classes, where they will be better able to develop a professional and social community. The reform also contains provisions about the

² The assessment is based on both objective criteria for credit for prior education and work experience, and an individual assessment that determines if the education should be shortened beyond what the objective criteria suggest.

forming of campus environments containing both gymnasiums and vocational education programs, a process that, according to the agreement, will take existing knowledge and experience of campuses as its starting point (Regeringen 2014: 7).

5.1.3 Differentiated teaching and 'talent tracks'

The reform commits the schools to implement and apply methods for differentiated teaching that takes account of different abilities and skills of the students. This also includes the requirement that vocational schools create and expand the amount of courses on different levels in order to challenge more skilled students. As part of an effort to boost the prestige of vocational education, this also includes the establishment of 'talent tracks' that may prepare especially ambitious students for relevant higher education and international competitions.

5.1.4 Focusing and improving student counselling

To improve the effort to motivate young people to get an education, the reform introduces more focused counselling. To improve young people's knowledge of vocational education, the more focused counselling effort includes introduction courses among 8th graders concerning vocational education and business academies; advancing the assessment of young people's study abilities (from 9th grade to 8th grade); and focusing the counselling effort on young people with special counselling needs.

5.2 Improving quality of teaching and education

5.2.1 Admissions requirements: Grades

Vocational education in Denmark is faced with the problem that almost half of the students that begin in a program drop out of it before completion. According to the policymakers behind the 2014-reform, a major reason is that too many leave primary education without necessary and basic abilities in math and reading, which makes it difficult for students to complete their vocational education and hurts the quality of teaching. With the aim of decreasing dropout rates, raising the quality of teaching, and raising the attractiveness of vocational education, the 2014-reform features the implementation of admission requirements based on grades received in math and Danish at the end of Basic School (Folkeskolen). Specifically, following the reform, to enrol in a vocational education program, students

must as a minimum have obtained the grade of 02 in Danish and math in the final tests in 9th or 10th grade of their primary education.³

Certain exceptions are allowed if students do not have the required grades. Students that already have a signed apprenticeship contract with a company, or students that have already completed a secondary education, are thus exempt from the grade requirement. Additionally, in cooperation between the Ministry of Education and the social partners, a test of competencies of Danish and math will be developed that non-qualifying students will have to pass to gain acceptance into vocational education. The test also includes an interview and an overall assessment of the qualifications of the student. Those that do not qualify for admission, will be offered education preparing offers – to a large extent offered at production schools (produktionsskoler) – where students are able to qualify for vocational education and develop their study- and social skills.

5.2.2 New vocationally oriented 10th grade

As part of the effort to qualify students for vocational education, the reform entails the establishing of a vocationally oriented 10th grade that aims to prepare students for entering vocational education (called EUD10). Primary schools offering the EUD10, must conduct at least 30 percent of the teaching in cooperation with a vocational school, and provide extensive information to students about the four main areas of vocational education that students can enrol in.

5.2.3 Combined Youth Education

The reform also establishes the Combined Youth Education (Kombineret Ungdomsuddannelse), which is a 2-year long youth education initiative seeking to prepare 15-24 year olds – that are motivated for education but do not have the necessary educational, social or personal skills to complete vocational education or secondary education (gymnasium) – for entering an education program. The aim of the Combined Youth Education is to provide students with employment-oriented competencies that motivate and prepare them for an active working life.

5.2.4 More and better teaching

The reform includes a number of measures aimed at increasing the amount and quality of teaching. The former entails the creation of a minimum number of contact hours (25 hours per week, and 26

 3 In the Danish grade system, 02 is the minimum grade for not failing a course, while 12 is the maximum grade, and the grades 4, 7 and 10 are all passing grades.

hours from 2016). The latter concerns a competence boost of teaching staff in vocational education through short stays at relevant companies and updating of pedagogical qualifications.

5.2.5 Bridging vocational education and higher education

As part of raising the attractiveness of vocational education and increasing the competencies of the work force, and in continuation of a longstanding political wish to create bridges between vocational education and higher education (Jørgensen 2014), an important aim of the reform is to emphasize that vocational education is youth education that not only gives professional skills but also access to higher education. There already exist possibilities for combining vocational education with secondary training (gymnasial eksamen) that gives access to higher secondary education, called the EUX. The reform seeks to expand EUX to be offered within all relevant vocational education programs within all four main areas and available for both young students and students above 25 years of age. The reform also makes vocational education programs with a duration of minimum three years qualifying for enrolment in business academies, and equates higher-level courses in vocational education with upper secondary school courses to enable access to higher education.

5.3 Policy learning: Evaluation of the reform and continual quality control

From a policy learning perspective, it is particularly interesting not just how the reform builds on earlier experience and research based knowledge, but also how policymakers hope to learn from the implementation of the reform. In this regard, it is noteworthy that the reform presents a specific set of goals for evaluating the success of the reform. These goals are to be used on a general level to continually judge how well the reform is working, but also on the level of specific vocational education institutions to measure their success, as well as to compare educational institutions. The four goals are as follows:

Goal 1: By 2020, at least 25 per cent of a youth cohort enrol in vocational training after having finished primary education – and in 2025 at least 30 per cent.

<u>Goal 2:</u> By 2020, the completion rate of vocational training is 60 per cent – and at least 67 per cent in 2025.

<u>Goal 3:</u> Vocational education must challenge all students, so by 2020, the number of strong students – measured as the proportion of students that complete their education at a higher level than the mandatory – should rise from year to year.

Goal 4: The well-being of students and the satisfaction of employers should increase yearly until 2020.

A central part of the reform is to develop methods and indicators to gauge whether the four goals are obtained. Generally data is obtained from the ministry's data warehouse for the educational sector that was established in 2012 to connect different data sources in the Danish education system into one platform.

The strong focus on the quality of Danish vocational education in the reform also shows itself in the creation of a state supervision of quality, which supplements the existing supervision of rules and economy, and has as its goal to monitor and improve the quality of teaching. Supervision is based on centrally developed indicators that are explicitly communicated to schools and provides basis for systematic follow-up and dialogue with schools exhibiting a continually weak performance.

5.4 The political process of the 2014-reform

Although the policy process surrounding the creation of the Danish VET-reform was relatively long – at least compared to what policymakers had first expected – it was characterized by a relatively high degree of consensus between the main stakeholders. Especially important was that key actors – notably the social partners and the government and opposition parties – largely shared the view that a reform of vocational education was central for securing a qualified workforce in the industry. However, it was only after pressure from the social partners that the government agreed to expand their focus on reforming the structure of vocational education to also include more stringent admission requirements for vocational education.

The reform process started in August 2012, when the government created a Vocational Education Committee ('Udvalg om erhvervsuddannelser samt kompetencegivende uddannelser i voksen- og efteruddannelsessystemet'), but the reform was not agreed and presented until February 2014. An important reason why the reform process took so long was that the government's wishes for the reform were less ambitious than what the social partners, and especially the business side, were looking for. Members of the Vocational Education Committee were representatives from The Danish Confederation of Trade Unions (LO), The Confederation of Danish Employers (DA), Local Government Denmark (KL), Danish Regions (Danske Regioner), the Ministry of Finance and the Danish Ministry of Education. The committee was tasked by the government to come up with reform suggestions to two overall issues: 1) How in the long-term to solve problems with an insufficient

number of apprenticeships, and 2) how to increase quality in vocational education to make it a more attractive choice for young people.

The first part of the committee's work developed as planned: The committee submitted its recommendations in October 2012 for the first task, which then formed the impetus for a political agreement between government and opposition, called *Bedre erhvervsuddannelser og styrket uddannelsesgaranti* ('Better vocational education and strengthened youth guarantee', presented in November 2012).

The second part of the committee's work – running from January 2013 to June 2013 – concerned the question of how to increase the quality of vocational education. The committee was asked to consider more effective admission requirements, structural changes that could help students finish their vocational education faster, and changes that could increase the quality level of the programs and ease the transition from vocational education into business academies and professional bachelors. In June 2013 it turned out that the committee could not agree on a set of recommendations on these issues and decided to stop its work. The break-down revolved around disagreements over the scope of the committee's work: Both the business associations and union representatives considered the mandate of the ministry, especially concerning admission requirements, too limited. LO and DA had earlier in the negotiation process - in May 2013 - published a joint paper on how to reform the VET system (LO and DA 2013), which was significantly more ambitious than the mandate given by the government. What was particularly significant about the joint paper was that it proposed the creation of admission requirements where students needed at least the minimum grade of 2 in Danish and math. This was an important departure from the otherwise strong notion in Danish education policy that if deemed ready for education, any student should be able to access secondary education, and that vocational education should play a central role in social integration of the youth.

Without any result from the committee, it was now up to the government to present its reform proposal of VET. Despite the initial hesitation on part of the government to expand the scope of the reform to include minimum grade requirements, the reform proposal it presented in August 2013 was clearly in line with the joint paper by DA and LO, and it was thus possible to agree on a joint statement between DA, LO and the government on their basic agreement on how to reform the VET-system. Once the disagreements on the scope of reform had been settled – and the government decided to support the social partners' more expansive approach – the negotiations focused on more concrete matters, for example whether business education should be treated differently than other vocational educations. That is, with a clear agreement between the social partners, both government and opposition were quick to agree to a common approach to VET reform.

6. Discussion of degree of institutional change

In assessing the changes that have taken place in Danish VET following the 2014-reform, one potential starting point is Hall's (1993) distinction between first, second and third order change. Using Hall's framework, we would ask if the reforms entail mere 'normal policymaking', where existing instruments are incrementally adjusted (first order change), or new institution are created that are in line with the existing institutional setup (second order change), or are we indeed witnessing a fundamental overhaul of the goals that guide policymaking in relation to VET? Perhaps unsurprisingly, recent reforms do not signify a fundamental shift in the goals that guide policy. Instead it builds on the basic principles of the Danish VET system of alternating education, the predominance of work based learning, corporatist forms of governance and an emphasis on counselling to help avoid students drop out of programs.

One might even say that the 2014-reform further consolidates the universalistic characteristics of the Danish VET-system. On a governance level, for example, transition policies are still primarily steered by the state according to a bureaucratic model with significant influence for the social partners to set standards and give content to the vocational programs. The reform does not challenge the regulatory framework of occupational self-governance, including the decisive role of The Advisory Council for Initial VET (REU) or The National Trade Committees (FU) in defining and developing the training ordinances. If anything, it serves to strengthen the role of the social partners in regulation and practical implementation of VET-policies. The change of discourse towards an acknowledgement of the continued importance of high-quality vocational education for securing a skilled workforce thus seems to go hand in hand with a reinvigorated effort on part of the social partners to take on more responsibility for the VET system, seen for example in the recent recognition on part of business associations that they must play an active and direct role in securing more apprenticeships (Politiken.dk 2015). The strengthened sense of ownership on part of both employers and unions is thus signified by their active role in promoting a reform focused on quality. In other words, on a governance level, the reform serves to bolster the existing system of self-governance.

The 2014-reform also consolidates a long-standing approach to combatting youth unemployment, namely through education, which is considered the only way to ensure inclusion in society along with a high skill level of young people entering the workforce. Likewise, the reform continues a political wish to bridge vocational and higher education, that is, to have students in vocational education

obtain the 'double qualification' of earning a vocational degree and to provide access to higher education. To avoid that young people perceive vocational education as a 'dead end', the reform seeks to strengthen the connection between vocational education to higher education, or, more precisely, to support the building of 'double qualifications' (Jørgensen 2014: 19). This effort originates in a clear political ambition in Denmark for more than 40 years (Bøndergaard 2014), but has so far largely not been successful (Jørgensen 2014: 18). The push to build stronger bridges between vocational education and higher education thus also follows existing Danish reform paths.

Despite overall continuity, there is one major shift in the reform, namely the introduction of grade requirements. As put by one of our respondents, if we had asked him two years earlier if that was poltically realistic, he would have insisted that it was not (Interview with The Confederation of Danish Employers). The reason is that it breaks with a strong tradition in Danish education policy, namely that everyone should have access to post-compulsory secondary education, but also more specifically that vocational education should play a central role in social integration. Students wanting to access gymnasiums have for long had to be judged fit, while access to vocational education has only required finishing compulsory Basic Education (Folkeskolen) at 9th grade level. The 2014-reform's implementation of grade requirements in vocational education, and the current work of establishing similar (but higher) grade requirements in Gymnasium, signifies a changed emphasis of two important goals of education in Denmark with a long history: From social integration to quality of the workforce. The introduction of grade requirements shows well the conflicting expectations to VET in Denmark: On the one hand to be inclusive for weak learners and at the same time maintain a high esteem and be attractive for high performing students and for employers, who will provide training placements (Jørgensen 2014: 38).

From the perspective of Hall (1993), this significant change complicates things. Hall (1993) assumes that the goals of a policy do not conflict, but in Danish vocational education policymaking has balanced two often competing goals, namely social integration and maintaining a skilled workforce, the latter depending on a high esteem of vocational education (Juul 2006, Jørgensen 2014). Using Hall's (1993) paradigm approach only leaves us the possibility of a wholesale shift in the ideas and goals that guide policy, while it overlooks the possibility of a more subtle – but nonetheless significant and important – shift in emphasis between the goals.

A more suitable way to gauge the amount of change in Danish VET policy is to think of it in terms of Streeck and Thelen's (2005) gradual transformative change. What matters to Streeck and Thelen (2005) is the 'logic of action' that structures actors' use of institutions, that is, the strategies, routine approaches and shared decision rules that structure interaction in the institutional setup. If approached from this vantage point, the 2014-reform of Danish VET looks like a case of institutional

layering, where an institutional element representing a different logic of action — the grade requirements — is attached to the existing institutional setup, leading to a re-balancing of the focus of the policy area. The added institutional element may over time lead to significant institutional transformation as it may undermine the logic of the rest of the institutional setup, i.e. the increased focus on the esteem and quality of vocational education may come at the expense of the role that vocational education has played in social integration of working class youth as the weaker members of this group is left in other programs to qualify for entrance.

From the perspective of Streeck and Thelen (2005), it may also be argued that policymakers – especially the social partners – have reacted to the institutional 'drift through layering' of recent decades. With education as the main focus of social policy and activation of the last 15 years, institutions focused on supporting and incentivizing benefit recipients have been layered on top of the vocational system without the necessary funds following in their wake. Respondents in our interviews thus complained that the emphasis on activation through education – and a funding system that heavily incentivizes schools to increase their uptake – has had as a result that weak and unmotivated benefit recipients have been forced into the vocational education system, leading to lower quality of vocational education and massive dropout rates. In this perspective, the significant change signified by the 2014-reform – the layering of new institutional elements on top of existing institutions – is thus a commitment to counter the consequences of activation policies on vocational education – i.e. the institutional drift through layering that has occurred through the last 15 years.

Finally, one could also argue that the 2014-reform has the traits of an institutional conversion, i.e that the existing institutional setup is directed towards new goals. Instead of being a last stop for a 'residual group' of young people that are hard to educate and employ— and thus having a clear social policy goal — the institutional setup of Danish vocational education is now developing towards a system that focuses on producing a workforce fit for a modern industrial society and with less focus on fighting social inequalities through education.

With the reform still in the implementation phase, it is still too early to say what these gradual shifts will amount to in the long run. Notwithstanding the longer term consequences of the reform, in our interviews we found that what was most important for the stakeholders of vocational education, especially the social partners, was that vocational education was at the top of the policy agenda. With the pre-crisis agenda of expanding tertiary education, the social partners had until recently found it very difficult to create attention around problems of quality in Danish vocational education. In their work on the 2014-reform, especially the business associations found it paramount to implement a grade requirement in order to change the discourse surrounding vocational education. The result has

indeed been a shift in the political discourse on vocational education involving recognition of the centrality of quality in vocational education for growth in Denmark.

7. Conclusion

Compared to many other European economies, Danish youth have experienced relatively low youth unemployment rates following the crisis. The Danish vocational education system on its part has been well placed to counter the worst effects of the crisis on youth unemployment. With its alternating structure – combining school periods with apprenticeships – the Danish vocational education system is tightly coupled with the labour market, which helps establishing a relatively smooth school-to-work transition. The main challenge of the alternating structure relates to the transitions inside the vocational education system. In recent decades a number of issues have put pressure on the Danish vocational education system. First, the system has been challenged by a lack of apprenticeship positions, which has had a consequence that too many students drop out before getting a degree. It has also led to students shuffling between programs leading to rising costs of education. Although recent reforms have strengthened the youth guarantee by offering school based apprenticeships, a lack of company-based apprenticeships is still considered a major problem for vocational education in attracting the best and brightest students. Second, and following on from this, the esteem of Danish vocational education has been hurt by the continued rise in uptake in Gymnasium and previous governments' expansion of tertiary education. Vocational education has thus come to be considered something of a 'dead end' for young people - an option for those who cannot manage a tertiary education. Third, the strong emphasis on activation through education has meant that vocational programs have accepted a large number of students with little motivation and a weak school record, adding further to the waning quality of education and teaching and hurting the reputation of vocational education.

Recent reforms have sought to address these challenges to Danish vocational education. The most recent reform of Danish vocational education, called 'Bedre og mere attraktive erhvervsuddannelser' (Better and more attractive vocational education), presented in an agreement between government and opposition (excluding 'The Unity List') in February 2014, has been particularly important in building a political consensus around the centrality of high quality vocational education for economic growth in Denmark. The reform does not signify a fundamental shift in the goals that guide policy. Instead it builds on the basic principles of the Danish VET system of alternating education, the predominance of work based learning, corporatist forms of governance and an emphasis on counselling to help avoid students drop out of programs. Despite overall continuity, there is one major shift in the reform, namely the introduction of grade requirements breaks with a strong tradition in Danish education policy, namely that everyone should have access to post-compulsory secondary

education, but also more specifically that vocational education should play a central role in social integration.

The 2014-reform of Danish VET looks like a case of institutional layering, where an institutional element representing a different logic of action – the grade requirements – is attached to the existing institutional setup, leading to a re-balancing of the focus of the policy area, i.e. the increased focus on the esteem and quality of vocational education may come at the expense of the role that vocational education has played in social integration of working class youth as the weaker members of this group is left in other programs to qualify for entrance. With the reform still in the implementation phase, it is still too early to say what these gradual shifts will amount to in the long run. Notwithstanding the longer-term consequences of the reform, in our interviews we found that what was most important for the stakeholders vocational education, especially the social partners, was that vocational education was at the top of the policy agenda.

The policy-learning framework of Danish VET has been important for developing recent reform efforts. The report has highlighted two main policy learning channels in the framework and illustrate how they interact in reforms of VET: 1) Continuous feedback and recommendations from social partners in macro-, meso-, and micro-level corporatist bodies, and 2) evidence-based adjustments using a common knowledge-repertoire based on micro-data on students and school-to-work transitions. The two channels of policy-learning are to some extent complementary as they fulfill different but mutually supporting functions. The corporatist channel produces practical information and recommendations that can at once inform policy reform and facilitate its implementation because key stakeholders are involved. The channel is historically based in the guilds tradition and serves as practical knowledge about what skills are needed and how policies should attempt to match VETprograms with the labour market 'realities'. The common knowledge-repertoire based on micro-data produces analyses that policy-makers use to update their statistical knowledge on the performance of VET-programs, which then might feed into policy innovation. The channel is recent and has gained prominence due to its clear potential for evaluating performance of schools and programs in line with more general trends of new public management tools. Finally, it is worth noting that the reform presents a specific set of goals for evaluating the success of the reform. These goals are to be used on a general level to continually judge how well the reform is working, but also on the level of specific vocational education institutions to measure their success, as well as to compare educational institutions.

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8. Democritus University of Thrace – Greece

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12. University of Oviedo – Spain

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www.etui.org

European Youth Forum www.youthforum.org

European Foundation for the Improvement of Living and Working Conditions www.eurofound.europa.eu

ILO: International Labour Office

www.ilo.org

OECD: Organisation for Economic Cooperation and Development www.oecd.org

OSE: Observatoire Sociale Européen

www.ose.be

SOLIDAR: European network of NGOs working to advance social justice in Europe www.solidar.org

EurActiv

www.euractiv.com

European Commission, DG Employment, Social Affairs & Inclusion http://ec.europa.eu/social/main.jsp?langld=en&catld=1036

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