



Extract from the report to the
Public Accounts Committee on
the Ministry of Employment's
implementation of reforms

March
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1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns the efforts made by the Danish Ministry of Employment to ensure effective implementation of reforms in the field of employment.

2. The Ministry of Employment is responsible for the field of employment and therefore also responsible for preparing and implementing new legislation in the area. The ministry is also required to support the Danish municipalities in the practical implementation of reforms in order to ensure that the policy intentions of the legislation are converted into results that benefit both citizens and businesses.

Rigsrevisionen has examined how the Ministry of Employment has supported the municipalities' implementation of three reforms that took effect in the period January 2013 to January 2015.

3. The purpose of the study is to assess whether the Ministry of Employment has provided an adequate framework for the municipalities' implementation of reforms of the early retirement and flexjobs scheme, the welfare benefits scheme and the sickness benefits scheme. The report answers the following questions:

- Has the Ministry of Employment used instruments that have supported the municipalities' implementation of the reforms?
- Has the Ministry of Employment ensured that the administrative basis for the municipalities' implementation of the reforms was available when the legislation took effect?
- Has the Ministry of Employment provided the frameworks required to ensure that the municipal IT systems were ready for operation when the reforms took effect?

4. Rigsrevisionen took initiative to the study in June 2015. Rigsrevisionen decided to launch the study, because the above-mentioned three reforms led to frequent and fundamental changes in Danish employment policies over a very short period of time. It has a bearing on the citizens' economy and legal security that reforms are correctly implemented and administered by the municipalities. The municipalities must be able to provide valid guidance to the citizens and process their cases correctly from the day new legislation takes effect.

5. With this study, Rigsrevisionen wants to draw attention to the factors that influence how fast and well reforms are implemented. The results of the study are intended to create value for the implementation of future reforms in the field of employment and potentially also for the implementation of reforms in other policy areas.

Under the Danish flexjobs scheme, employers offering adjustments to hours and workplaces for eligible disabled people are awarded a permanent wage subsidy.

*In the report, government orders and guidance material issued by the Ministry of Employment after the adoption of reforms are jointly referred to as **the administrative basis**.*

CONCLUSION

It is Rigsrevisionen's assessment that the Ministry of Employment has not provided adequate frameworks for the municipalities' implementation of the early retirement and flexjobs reform, the welfare benefits reform and sickness benefits reform. The three reforms all took effect in the period January 2013 - January 2015.

The Ministry of Employment has worked on developing various instruments to support the municipalities in their implementation of the reforms. The study shows that these instruments are essentially considered useful by the municipalities, but at the same time, the municipalities also state that the most important instruments were not ready and available in due time before the reforms took effect.

Government orders and guidance material, which are the instruments that are considered most important for the municipalities, do not meet with the recommended practice of the Ministry of Justice since they are not available in due time before reforms take effect. None of the government orders or guidance material, that was issued by the Ministry of Employment in connection with the implementation of the three reforms, was published more than seven days prior to the effective date of the reforms. Eight per cent of the government orders and 87 per cent of the guidance material was published after the reforms had taken effect, which makes it difficult for the municipalities to adjust their organisations and work processes to ensure that they are ready to provide guidance and process cases of financial importance to the citizens, in due time. The citizens may therefore experience that it takes longer to process their cases and that similar cases are not treated consistently. This is not considered satisfactory by Rigsrevisionen. Case processing in the field of employment involves and relies on a large number of rules and is very complex, which makes it particularly important to ensure that the administrative basis is ready and available to the municipalities in due time.

The study also shows that the municipal job centres are of the opinion that the implementation of the reforms has been hampered by the lack of timely IT support. The municipalities have struggled with unstable IT systems and long response times in connection with the implementation of the reforms. Often, it is not clear to the municipalities whether operational problems should be solved by their own IT providers or by the Ministry of Employment. The municipal case workers have had to come up with ad hoc solutions or postpone cases until the systems were up and running again. The Ministry of Employment plays a central role in relation to the many IT systems that exchange data in the field of employment. The ministry has taken steps to support the municipalities in their efforts to ensure that their IT systems would be ready for operation when reforms take effect, but so far, these initiatives have been inadequate. Rigsrevisionen finds that the ministry should implement a systematic process for reviewing the nature of the errors that occur when the systems are put into operation. Such a process would provide the ministry with useful knowledge and make it better positioned to prevent recurrence of errors.

Municipal jobcentres

These have since 2009 been responsible for all employment related measures at local level. There are 94 jobcentres in Denmark.