## Job Rotation Scheme

**Jobrotationsordningen**  
**Denmark**

### DESCRIPTION

<table>
<thead>
<tr>
<th>Timespan</th>
<th>The scheme went into effect in 1994 and has recently been reformed in 2015.</th>
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### FOUNDATIONS

**Policy Area**  
**ACTIVE LABOUR MARKET POLICIES**

The job rotation scheme is an increasingly important component of the Danish active labour market policy.

**Policy Goal**  
The job rotation scheme aims to address two main problems: the unemployment rate in Denmark and the need to upgrade the skills of employed people. Issues relating to the unemployed and underemployed people include: enabling entry into the profession by supporting education, the recruitment of new staff members once the scheme is complete and addressing the need for a more skilled workforce. The employer hires unemployed people as temporary workers, while permanent staff members receive further education and training. One precondition is that there is an ‘hour-to-hour relation’ between the employees attending education or training and the temporarily recruited workers.

**Mismatch**  
**PART OF BROADER PROGRAMME, YET WITH EXPLICIT FOCUS**  
The job rotation instrument works in two ways. An unemployed person can temporarily replace an employee at an enterprise in order to achieve work-experience, while the current employee takes part in further education and training to upgrade their skills.
**Aim of policy instrument**

- **UPSKILL AND MATCH SKILLS OF UNEMPLOYED**
- **UPSKILL EMPLOYED ADULTS**
- **FACILITATE JOB/CAREER TRANSITIONS**
- **OTHER**

To create temporary jobs for the unemployed.

**Legal basis**

LAW

**Administrative level**

NATIONAL

**Main responsible body**

The Ministry of Employment (Beskæftigelsesministeriet) and The Danish Agency for Labour Market and Recruitment (STAR).

**Stakeholders**

- **GOVERNMENT (CENTRAL & REGIONAL)**
- **TRAINING PROVIDERS (PUBLIC/PRIVATE)**
- **TRADE UNIONS**
- **SOCIAL PARTNERS**

The local job centre in each municipality is the authority administrating the scheme. They play a significant role in promoting the scheme among private and public workplaces, as well as supporting them and following up on whether or not the companies and public workplaces comply with the law. Social partners like the Federation of Trade Workers promotes the opportunity to participate in the scheme among their members. In order to support their member’s interests, the social partners are promoting the scheme by helping the recruitment of unemployed people, as well as supporting temporary workers gain skills through education and training. The training providers do not contribute to the subsidies and are therefore not considered stakeholders. It is the employer who decides which private or public education program the employee may participate in, as long the education program is part of the continuing education scheme that does not lead to a whole vocational education.
**Funding**

In the 2014 fiscal year, the total public expenditure spent on the job rotation scheme was approximately €270 million (2,035 million DKK).

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**Intended beneficiaries**

The job rotation scheme is often recognised as a labour market "Egg of Columbus," because the scheme on the one hand aims at benefitting the unemployed with a temporary workplace, while at the same time, aims at upgrading the skills of ordinary employees.

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### 3 PROCESSES

**Use of labour market intelligence**

The job rotation scheme does not select specific areas of skill mismatches and shortage. The employee may attend any kind of training and education, as long as the courses are publicly announced, meaning that anyone could, in principle, attend the course. However, the main scheme is reserved for employees without vocational training, or if their education has not been used in the past five years.

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**Financial schemes**

Government subsidies. In 2017, the employer is paid a subsidy of €24.85 (184.98 DKK) for each hour that their current employee is in training, which needs to supplement the cost of total wage and training costs, including salaries of the employee and the temporary worker.

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**Frequency of updates**

The training courses themselves are updated frequently by the employers and employees trade organisation. They review the training courses to ensure that they are still appropriate.

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**Development**

With the recent reform in 2015, it is only possible to hire unemployed individuals in a temporary job rotation scheme. This means that the employers are only entitled to a job rotation subsidy if they do not receive other public funding for the hours that the employees and the temporary workers participate in the job rotation scheme.

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**Barriers**

Temporary workers participating in a job rotation schemes must be hired to fill an equivalent job position performing equivalent tasks as the employed who is participating in further education or training. However, it can be difficult for employers to find the right unemployed person, who can take over the tasks of the initial employed person during their education and training course.
### Monitoring

Ongoing evaluations and monitoring of the scheme takes place regularly, as the scheme is funded by the state. Indicators include, for example, wage and employment effects of the unemployed being recruited in temporary positions as part of the scheme.

### Innovativeness

**SLIGHTLY INNOVATIVE**

In the international context, the job rotation scheme is often recognised as a labour market "Egg of Columbus," because the scheme on the one hand targets the unemployed, while at the same time, aims at upgrading the skills of ordinary employees.

### Evidence of effectiveness

In June 2014, an evaluation analysed the wage and employment effects of unemployed people being recruited in temporary positions as a part of the scheme. This is measured for up to 23 months after recruitment as a temporary worker. Overall, the report found that participation in a job rotation leads to the unemployed person obtaining a regular job 2-3 weeks faster than they would otherwise have done.

### Engagement of stakeholders

The law clearly specifies the role of the local job centres in each municipality that is responsible for the administration of the scheme.

### Transferability

**EASILY TRANSFERABLE**

Given that the job rotations scheme consist of subsidy provisions, it can easily be transferable to another country with other administrative systems. The scheme would also be successfully transferred if suitable training providers are already in place.

### Sustainability

Yes - the scheme is an important component of the Danish active labour market policy.