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Social dialogue in welfare services (Sowell) - Denmark

Work Package 1–2 report on Long Term Care and Early Childhood Education and Care

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Summary

This report analyses how pressures can be balanced in two selected Danish care sectors – long term care (LTC) and early childhood education and care (ECEC) – in terms of public budget constraints, job quality, service coverage and quality of services. The balances form a sort of quadrilemma. To this quadrilemma we have added labour shortages/ recruitment problems, as this is a major current challenge in the Danish care sectors.

The quadrilemma and labour shortages: The pressure on LTC seems higher than in ECEC. In LTC labour shortages are more severe, budget per user has not decreased, problems with working conditions due to work intensification seem more widespread, the pressure on service quality is higher and service coverage is lower. This indicates that the quadrilemma is not only about trade-offs, but that pressure in one dimension might spill over to other dimensions. As in the case of tighter budgets, labour shortages are also likely to lead to downward pressure on three of the dimensions in the quadrilemma – service coverage, service quality and working conditions. Beyond the quadrilemma and the labour shortages, an important difference between the two sectors is that outsourcing is used less and is possibly more controversial in ECEC. Since 2020, it has not been possible to run ECEC institutions for-profit. Another important difference is that minimum staff ratios have been introduced in ECEC but not in LTC. Both of these differences have political origins.

Political attention and institutional set-up: Both sectors are characterized by a high level of attention from the national political system. The social partner organizations are strong. The influence of trade unions is strongest in the collective bargaining arena with high coverage rates, and their influence in the quadrilemma is strongest concerning wages and working conditions. Trade union influence is weaker in the national political arena, where most of the decisions on the quadrilemma dimensions of budget restraint, service coverage and service quality are taken. Overall, despite some differences, the institutional set-up of the two sectors is very similar.

Initiatives to curb labour shortages and other challenges: During the recession post-2008, few social dialogue initiatives were taken to address the challenges posed by tightened budgets. However, several bipartite, tripartite and multipartite initiatives have been taken in recent years to address the challenges caused by increasing labour shortages. The trade unions act as a ‘watchdog’ to secure wages and working conditions, and to avoid pressure on these issues from attempts to solve labour and skill shortages; however, the trade unions’ role is not limited to this function. Other initiatives include bipartite attempts spanning the whole of the municipal sector to increase full-time employment and thereby reduce labour shortage challenges. The number of labour shortage initiatives are higher in LTC than in ECEC. The few ECEC specific initiatives – e.g., newly introduced minimum staffing requirements – have until recently been more focused on service quality and skill shortages (upskilling) than on labour shortages (recruitment).

Explaining differences: As the institutional set-up is very similar in the two sectors, it is likely that the explanation for the higher frequency of initiatives in

LTC would be found somewhere else. One driver of differences could be the (so far) higher problem in LTC than in ECEC with regard to labour shortages. Explanations for other differences between the two sectors – such as greater attention paid to service quality and a reluctance towards outsourcing in ECEC compared to LTC – are to be found in the political system, i.e., a higher political sensitivity concerning the care needs of children than there is of elderly people.

1. Introduction

This report includes the Danish sector level findings (work packages 1 and 2) in the EU-funded project ‘Social dialogue in welfare services – employment relations, labour market and social actors in the care services’ (SOWELL). The project’s main aim is to understand how trade unions and employers (the social partners), through various forms of social dialogue, balance pressures in the form of public budget constraints, the desire to improve or sustain service coverage and service quality and securing adequate job quality. This balancing act, covering these four dimensions, can be seen as a ‘quadrilemma’.

The project focuses on two key welfare service sectors, long-time care (LTC) and early childhood education and care (ECEC). The LTC sections in the report focus on elder care, which makes up by far the largest part of LTC. The smaller part not covered in the report is care for those with disabilities, which in nearly all dimensions analysed in this report makes up a separate sub-sector with little overlap with elder care. Similarly, the ECEC sections focus on care services for children who do not have special needs, while the smaller sub-sector of ECEC for children with special needs is not covered.

The methods and sources used in the report are semi-structured interviews with key persons from the two sectors at national level (see Annex A), descriptive statistics, policy reports, legislation, collective agreements and secondary literature.

The report, by and large, follows a common structure for all the WP1–2 reports in the project. Following this introduction, Section 2 focuses – after a short general description of the Danish labour market – on the main characteristics and structure of the labour markets in the two chosen sectors. Section 3 analyses the welfare services in LTC and ECEC and addresses the dimensions of budget restraint, service coverage and service quality. Section 4 briefly describes the employment relation systems in the two sectors, and Section 5 presents the actors in employment relations systems. In Section 6, the collective agreements and the wages and working conditions are analysed. This is where the fourth quadrilemma dimension – job quality – is addressed. Section 7 compares the two sectors and concludes the report.

A separate local case study (work package 3) report (Hansen et al. 2022) describes four Danish local cases within the two sectors that offer innovation related to balancing the quadrilemma.

The project is funded by the European Commission’s General Directorate for Employment (agreement number VS/2020/0242) and is coordinated by the University of Milan. The project was conducted during the period January 2020 - December 2022 and covers the following EU member states: Denmark, Germany, Hungary, Italy, the Netherlands, Slovenia and Spain.

2. The labour market in Denmark in general, in ECEC and LTC

2.1 Main characteristics of labour market in the public and private sectors

Drawing on statistics from the European Labour Force Survey provided by the SOWELL project, this section provides a short overview of Danish labour market developments from 2008–2019. The section thus offers comparable data to the other countries' reports, but does not provide a full picture of Danish labour market developments.

Table 2.1 Employment, unemployment and occupations by ISCO categories

	2008	2010	2012	2014	2016	2018	2019
GDP growth	-4.3*	2.2	-0.4	1.8	2.0	2.0	1.5
Total employment	2.806	2.661	2.645	2.664	2.760	2.832	2.878
Unemployment total	3.7	7.7	7.8	6.9	5.8	5.1	5.0
Public sector	28.0	29.4	30.0	30.0	29.1	28.0	28.7
Managers	6.0	4.8	2.0	2.3	2.9	2.8	3.2
Professionals	15.2	17.3	27.0	26.7	26.2	27.5	27.7
Technicians and associate professionals	22.5	24.0	17.2	17.3	17.5	18.0	17.9
Clerical and support workers	9.4	9.6	7.9	7.6	7.8	6.6	6.6
Service and sales workers	16.5	17.2	19.4	20.0	19.2	19.2	19.0
Skilled agricultural, forestry and fishery workers	2.2	2.2	2.3	2.0	1.8	1.7	1.6
Craft and trade workers	10.4	9.2	8.8	8.5	7.5	7.8	7.4
Plant and machines operators and assemblers	6.8	5.3	5.5	5.4	5.1	5.3	5.1
Elementary occupations	10.7	10.0	9.6	9.8	10.1	10.3	10.4
Armed forces	0.6	0.6	0.6	0.6	0.6	0.6	0.6

Source: Eurostat: Labour Force Survey 2008–2019. Total employment in thousands* = 2009.

Unit of measurement: Percentage of each occupational category out of the total employed population by year.

Table 2.1 shows several important developments in the Danish labour market. First, the Great Recession hit hard in terms of both GDP growth and unemployment until 2013. From 2013 onwards net employment increased, reaching the pre-crisis level in 2017. Second, whereas the private sector was hit by the recession from 2009 (seen as an increase in especially male unemployment) the public sector – through austerity policies – was only hit a couple of years later (seen as an increase in female unemployment). Third, the share of public sector employment of total employment is comparatively high and stands at around 29% throughout the whole period. From 2010 until 2014, there was a decline in the number of public sector employees (not shown in the table). Fourth, regarding occupations, relative growth only occurred in service and sales workers and in professionals. The latter nearly doubled to more than a quarter of all employees. All other categories except elementary occupations and armed forces saw a decline of 20% or more compared to their share in 2008.

Table 2.2 shows a fifth important development, an ageing of the employed population. As can be seen in the table, this has two dimensions. One dimension involves a close to doubling of the employment rate in the 60–64 age group (the

employment rates for older age groups are not provided). This is due to several developments, among them a healthier 60+ population, phasing out of the Volunteer Early Retirement Scheme, a higher pension age and various other reforms that have been introduced, including economic incentives to stay in the labour market (De Økonomiske Råd 2021; DA 2020). The other dimension is a decline in employment rates for the younger age groups. The most important explanation for this is increasing participation in education, especially higher education (Skaksen 2019). However, the number of young people not in employment, education or training (NEETs) might also be part of the explanation. According to most sources, the number of NEETs in Denmark has increased during the period (Bolvig et al. 2019). Hence, although the NEETs level is still comparatively low, its increase has contributed to the declining employment rate among the younger age groups.

Table 2.2 Employment rates, total and for various age-groups, in percentages

	2008	2010	2012	2014	2016	2018	2019
Total	78.7	74.9	74.3	74.7	76.0	77.5	78.3
20–24	72.4	65.7	62.2	62.0	62.4	64.9	66.2
25–29	82.5	72.7	70.3	71.3	71.6	72.8	72.6
30–34	86.3	83.1	81.7	79.0	79.2	80.6	81.9
35–39	88.9	84.5	83.4	84.8	82.8	83.9	85.0
40–44	88.0	85.3	84.9	84.4	85.6	85.5	86.2
45–49	88.7	85.0	84.9	84.1	85.2	87.1	86.5
50–54	85.8	82.4	81.1	81.9	83.3	83.6	84.0
55–59	79.8	75.9	76.6	76.5	80.0	80.7	82.1
60–64	33.8	36.0	38.8	44.1	50.7	56.6	59.3

Source: Eurostat: Labour Force Survey 2008–2019

2.2 The main characteristics and structure of the labour market

2.2.1 Elder care

Statistics provided by the SOWELL project are shown in Table 1.3. It tells us that in Denmark there are 7.9 LTC workers per 100 persons aged 65+. What is not shown in the table is that it places Denmark in ‘the high-investment cluster’, together with Norway (12.5 LTC workers), Sweden (12.1 LTC workers) and the Netherlands (7.9 LTC workers). Moreover, the table shows that personal carers make up by far largest occupational group and that there are more LTC workers in institutions (nursing homes etc.) than working in private homes.

Table 2.3 Human resources in LTC in Denmark (2018 or most recent year)

Total numbers of care workers/100 persons aged 65+	Composition by profession (percentage)		Composition by function (percentage)	
	Nurses	Personal carers	Workers in institutions	Workers at home
7.9	16.5	83.5	41.8	58.2

Source: Pavolini (2021) and OECD online dataset: Long-Term Care Resource and Utilization.

As Table 2.4 illustrates, home helpers are by far the largest group in elder care. There are three types of home helpers, and all three types work in nursing homes as well as in private homes. In 2017, education for higher-qualified social and health care assistants (SOSU assistants) was separated to create an independent branch of education, which takes three years and nine months to complete. The second type of home helper is the social and health care helper (SOSU helpers) who require two years and two months of study. SOSU helpers are qualified to undertake fewer tasks than SOSU assistants, and have a more practical-oriented profile. The reason for separating the two branches of education was increasing demand for home helpers with a higher qualification level and, hence, a need to move SOSU assistants closer to the nurse occupation and away from the other category of home helper. The education of both types of home helpers is a so-called dual education, combining school-based education with practical training in workplaces (Mailand and Thor Larsen 2017; Vinge and Topholm 2021). A third type exists, at it is possible to become an ‘unskilled home helper’ if you have not completed a formal SOSU education.

Table 2.4 Main occupations in elder care, percentage of employment, 2021

Nurses	SOSU assistants	SOSU helpers	Unskilled home helpers	Others
13	30	40	13	4

NB: full-time equivalents Source: Indenrigs- og Boligministeriets Benchmarkingenhed 2022.

Apart from SOSU/home helpers, the largest occupation in elder care is nurses. Other groups – primarily employed in nursing homes – includes, inter alia, cleaners, kitchen staff and physical therapists. Nurses often work in cooperation with SOSU employees, therapists, general practitioners and others. The trend towards work organization in self-governing teams (see the Ikast-Brande local case in the work package 3 report) will only reinforce this. Coordination, examination and documentation are important parts of a nurse’s tasks in elder care. Compared to SOSU employees, nurses are much more stratified (subdivided into different types). According to one interviewee, an increasing part of nurses’ working time is spent on specialized tasks, which includes, for instance, palliative care, wound treatment, dementia and terminal care. This development is partly a result of the fact that length of stay at (regional) hospitals has reduced substantially in recent years, thereby demanding more from municipal nurses, included those working in elder care.

Table 2.5 only focuses on the two skilled types of home helpers, but shows a number of interesting statistics. First, contrary to the main trend in the municipalities, the overall number of employees continued to increase after the (comparatively mild) Danish austerity policies introduced in 2009–2010. Also, contrary to the development in the number of public sector employees overall, the number of SOSU employees has not increased since 2017; this might reflect the problems in recruiting home helpers (see later). Second, the share of lower-qualified SOSU helpers has decreased, while the share of SOSU assistants has increased. This represents an increase in qualification levels. Third – pointing in the opposite direction and not shown in the table – the share of ‘unskilled home

helpers' increased from 15% in 2015 to 21% in 2019 (from 8% to 13% as full-time equivalents) – after a long period of decrease. The explanation for this increase is the problem of recruiting skilled home helpers (FOA 2020; Vinge og Topholm 2021). As some of the non-trade union interviewees pointed out, unskilled home helpers sometimes have competencies from other occupations that are useful for the job.

Table 2.5 Employment and employment degrees in LTC in the municipalities

	2007	2010	2013	2016	2019
All SOSU employees (number)*	97,777	96,781	100,888	107,531	99,620
All SOSU employees, (full-time equivalent)	74,143	73,684	77,570	82,899	77,863
SOSU assistants (percentage)	31	-	-	-	42
SOSU helpers (percentage)	69	-	-	-	58
SOSU assistants employment degree	85	84	82	82	83
SOSU helpers employment degree	84	81	78	78	79

* Includes other categories besides SOSU assistants and SOSU helpers, such as the unskilled home helpers. Source: Krl.dk.

Table 2.6 shows the development in employment weighted for the number of elderly. It illustrates a clear overall decline in the weighted number of core staff in elder care – a substantial decline among home helpers while there is a modest increase in the weighted number of nurses.

Finally, the employment rate - which is defined here according to the working hours of those in employment relative to full-time hours – shows a decrease, especially for SOSU helpers, until 2016. Thereafter, the employment rate increases slightly.

The employment rate masks the fact that only 19% of SOSU assistants work full time, whereas 69% work 28–36 hours a week and 6% work as temps. The comparable figures for SOSU helpers are 10%, 75% and 8%, respectively (Vinge og Topholm 2021: 26). In other words, part-time is the norm. Trade unions and employers' organizations have jointly tried to increase the average number of weekly working hours (see below), which might explain the small recent increase.

Table 2.6 Number of elder care employees per 1,000 elderly, core occupations

	2013	2017	2021
Nurses	6.7	7.3	7.5
SOSU assistants	16.1	18.3	17.0
SOSU helpers, unskilled home helpers and others	40.3	33.6	31.7
Total	63.2	59.2	56.3

Source: Indenrigs- og Boligministe-riets Benchmarkingenhed 2022.

2.2.2 Early childhood education and care

The main occupation groups include pedagogues, pedagogical assistants, day care assistants and family day carers. Other groups working within ECEC – primarily in day care centres – include, inter alia, cleaners, kitchen staff and janitors.

In Table 2.7, pedagogical managers are also included. These are managers with previous training and experience as pedagogues. *Pedagogues* have a professional bachelor degree entailing 3.5 years of training in a university college. The vast majority of pedagogues work in ECEC services and are comparable to ‘pre-school teachers’ in other countries. However, pedagogues are also employed in the care of people with disabilities and in elder care. Pedagogical assistants undertake vocational training of 3 years and 1.5 months. This form of training is also offered by university colleges. Day care assistants work in day care centres alongside other trained staff and require no further formal training. Family day carers are mainly employed by the municipality, but there is also a minor group of private family day carers. They must all be approved by the municipality. However, the position requires no further formal training.

As can be seen from Table 2.7, the number of family day carers has decreased significantly, while the number of pedagogues has increased slightly. Across all employee groups part-time work is widespread (see section 6 for further details regarding part-time work).

Table 2.7 *Employment and employment degrees in the municipalities*

	Jan 2007	Jan 2010	Jan 2013	Jan 2016	Jan 2019
All employees*	69,289	74,627	66,810	62,190	64,001
All employees* (full-time equivalent)	60,948	64,557	57,342	53,175	53,902
<i>Percent of employee full-time, ECEC</i>					
Family day care	29	-	-	-	18
Pedagogues	30	-	-	-	41
Pedagogical assistants	6	-	-	-	6
Day carers	23	-	-	-	24
Pedagogical management	6	-	-	-	6
<i>Employment degree (hours/week)</i>					
Family day care	37	-	-	-	37
Pedagogues	33	-	-	-	33
Pedagogical assistants	32	-	-	-	31
Day carers	27	-	-	-	24
Pedagogical management	37	-	-	-	37

Source: Krl.dk. * Includes a number of other smaller employee groups such as pedagogical students.

Table 2.8 shows developments in employment weighted for the number of children in recent years and illustrates stability and a move towards an improvement in child ratio per member of staff in day care and family day care. However, the ratio of fully educated pedagogues to other staff has decreased (Houlberg and Ruge 2022).

Table 2.8 Actual ratios of children per staff in day care and family day care

	2017	2018	2019	2020
Family day care	3.4	3.3	3.3	3.3
Day care centres 0–2 years	3.1	3.1	3.1	2.9
Day care centres 3–5 years	6.2	6.2	6.1	5.8

Source: Statistics Denmark Boern3. * All pedagogical staff are included except for top pedagogical management, i.e., managers of managers.

2.3 Recent main challenges in the two sectors

2.3.1 Elder care – the recruitment problem

The challenge in the elder care sector which has received most attention in recent years is recruitment. This can be seen as a fifth challenge in addition to the four that are the focus of the present project (i.e., pressures on budget, wage and working conditions, service quality and service coverage). However, this fifth challenge is connected to the others and can be addressed by changes in some or all of the four other dimensions.

The workforce in elder care is relatively old and the average age of employees is increasing. At the same time, there are difficulties in filling vacancies and educational institutions are not producing enough graduates. Education faces problems of both the occupation's lack of prestige and high dropout rates. Labour shortages (shortage of labour in general) and skill shortages (shortages of qualified labour) are both seen, and the proportion of unskilled employees is increasing. The recruitment problems are only expected to get worse in the near future due to the demographic situation with smaller youth cohorts.

The actors in the area – primarily the government (Ministry of Social Affairs and Senior Citizens) and the social partners, but to some extent also the NGO DaneAge Association and the training institutions – have taken many initiatives to address this problem. These include unilateral, bipartite, tripartite and multipartite initiatives. The most important are summarized here as follows:

- *Elder summits*: In order to develop common understandings and joint initiatives the government, Local Government Denmark (LGDK), the trade union FOA and DaneAge Association held a first summit in August 2020. A second summit took place in September 2021. Between the summits, the actors have worked on six tracks on service quality, recruitment, management and learning, monitoring quality and means-testing of home help. The interviewees found the summit process useful in getting every actor to work in the same direction and to establish common knowledge

platforms, although the summits have so far led to few specific initiatives and no quick fixes for the multiple challenges of elder care. It was also seen as important that the government leads the summits.

- *Recruitment taskforce*: In 2020, the government and LGDK established a taskforce to analyse recruitment problems in elder care and health care and suggest actions to meet this challenges. The taskforce focuses especially on improving the education of home helpers, securing sufficient training places and better introduction to the occupation.
- *Improving qualifications*: During the triannual collective bargaining rounds, LGDK and FOA have introduced several initiatives to lift the qualification level of home helpers. The latest of these initiatives began in early 2021.
- *Recruitments ponds*: During the bargaining rounds in 2018 and 2021, LGDK, FOA and Forhandlingsfællesskabet agreed to provide home helpers with a small additional wage increase (this will be described in more detail below).
- *Action plans for recruitment*: Between the bargaining rounds, LGDK and FOA have produced actions plans to improve recruitment in the elder care and health care sectors. The 2018 plan focuses especially on educational institutions and includes, inter alia, tools to reduce the dropout rate and suggestions for improving the payment of students. The latter suggestion has been implemented and students now receive a wage for the whole period of education and not just a student allowance for the beginning for the education. The 2021 action plan covers three themes: Recruitment to education, motivating employees with the right skills and digital welfare and technology.
- *Annual budget*: As part of the annual budget for 2021, the government promised 1 billion DKK for the recruitment of home helpers, which some have translated into 1,000 more home helpers. At the time of writing, the decision is in the process of being implemented.
- *Local initiatives*: According to one interviewee, during the Covid-19 pandemic, FOA, in cooperation with local employers and vocational training centres, retrained those who had lost their jobs due to the pandemic to become (unskilled) home helpers. This been a success in some cases, for instance, in the case of former employees at Copenhagen International Airport.

Hence, attention given to the recruitment problem is not lagging. This reflects the high political priority of the issue.

2.3.2 A main development in the ECEC – new minimum staff requirements

The most recent developments in legislation in the ECEC sector are aimed at securing sufficient staff per number of children and, especially, securing sufficient educated staff. Following the structural reform of Danish local government implemented in the years 2004–2007, which amalgamated municipalities, emphasized harnessing economies of scale and a move towards more professionalization in ECEC services, many day care institutions merged into larger units (Lemvig et al. 2015). This development, in combination with

the introduction of budgetary restrictions on municipalities in 2009, caused the ECEC sector to experience mild local austerity pressures, though with varied outcomes in different municipalities (de la Porte et al. 2022). Local budget cuts typically meant a higher ratio of children per staff member, or fewer trained staff, and/or an earlier transition of children from nursery to kindergarten, and/or more closing days. These developments can have a negative effect on both structural and more processual aspects of quality of care (ibid.). As a consequence, the issue of minimum standards became high on the agendas of trade unions BUPL and FOA and parents' organizations (FOLA) as a safeguard against budget cuts and a means to secure coverage and quality in service provision across municipalities. FOA, for instance, states on its website that it aims for 1 adult per 3 children in nurseries (0–3 years) and 1 adult per 6 children in kindergartens (3–6 years).

In December 2020, a political agreement was reached under the leadership of the Social Democratic government securing minimum staffing requirements via legislation by 2024. Moreover, the agreement includes funding to implement the requirements during the period 2020–2023, corresponding to more than 3,900 additional pedagogical staff in day care institutions in 2024 (Ministry of Children and Education 2020). The agreement also aims to improve the number of educated pedagogues and pedagogical assistants by securing additional funding for municipalities to increase the average number of educated childcare staff. In addition, the agreement strengthens municipal supervision of, among other things, the quality of pedagogical development and children's physical environment. Finally, the agreement stipulates rules that prohibit private institutions from making a profit from offering childcare.

To implement and supplement the agreement on minimum staffing requirements from 2020, the Social Democratic government concluded another political agreement, with the same political parties, in May 2021. This was on a model for minimum requirements that take into account children's transition time from nursery/private day care to kindergarten. With this new agreement, the forthcoming legislation on minimum standards will secure for children who start in kindergarten before the age of three at least 1 pedagogical staff member per 3 children as an annual average in the municipality. The agreement aims at securing that pedagogical considerations and the consideration for the individual child should guide the transition time to kindergarten rather than local finances.

Recent population projections estimate that the number of 0–5-year-olds will increase by more than 50,000 by 2025 and, in 63% of the 98 municipalities, the number will increase by more than 10% (LGDK, Momentum 2019). In conjunction with the implementation of minimum standards, recruitment and the upskilling of ECEC staff is a salient issue. A report funded by the trade union FOA (for a description of the trade union see below) estimates that about 14,000 additional full-time employees will be needed within the next 10 years (Glavind and Pade 2021). Moreover, the report estimates that about two-thirds of this demand is related to demographic changes, while the rest is due to the adopted minimum standards. There is some disagreement as to whether the demand and supply of staff within the ECEC sector will balance in the future.

Among the solutions for meeting future demands are encouraging part-time employees within the sector to work full time, increasing the numbers being educated for childcare work, upskilling existing staff and recruiting already trained pedagogues employed in other jobs back into the sector (Andersen 2020). However, the social partners have taken fewer initiatives at the national political level, and in conjunction with collective agreements in this area, than within the LTC services described above.

Moreover, the Covid-19 pandemic also severely challenged the ECEC sector. In the first months of the pandemic, childcare was shut down only to reopen later in the spring of 2020. A number of staff in ECEC have reported catching Covid-19 as a working injury in accordance with the general rules. However, according to interviewees, the number is lower than within elder care. Upon the reopening of day care in May 2020, extra staff to clean toys, to reduce the spread of the virus, were employed in day care centres. The reduced number of children in care, as people were unable to perform their jobs during the shutdown and kept their children at home, in combination with dividing larger groups of children into smaller groups, have both been mentioned as tendencies that temporarily improved the quality of care in day care centres. However, family day care found it more difficult to find resources for the extra cleaning tasks. After more than a year into the pandemic, day care was running more normally and cleaning standards went back to where they were before.

3. The ECEC and LTC services in Denmark

3.1 Presentation of the ECEC and the LTC sectors

LTC in Denmark is characterized by universalism and extensive public funding, but means-testing also takes place. Hence, reaching a certain age is not enough to secure elderly people a right to publicly funded elder care.

Present-day elder care in Denmark has a focus on involving and empowering every citizen, taking into consideration their individual needs and preferences. The goal is for elderly citizens to maintain their independence, stay in control of their lives and to stay healthy and in their own homes for as long as possible. Measured in terms of numbers of users, the number of those receiving help in their own home is much larger than those receiving help in nursing homes (institutional care).

ECEC in Denmark is also characterized by universalism and public funding. According to legislation, all children below school age (ages 0–5) are guaranteed access to an ECEC service. The vast majority – i.e., 9 out of 10 children aged between 1 and 5 – attend a public supported ECEC facility.

The ECEC system in Denmark has an emphasis on play and a child perspective for pre-school children. Care is provided in collaboration with parents – which means that parents should have extensive collective and individual involvement in the care provided – and aims to support the individual child’s well-being, learning, development and education. Day care must provide a sufficient physical, mental and aesthetic child environment, and give children co-determination, co-responsibility and an understanding of democracy.

Day care institutions have historically had a social integrative role with the aim of overcoming social boundaries and class divides. However, in recent years this aim has been coupled with a stronger emphasis on curricula to promote age correspondent learning and development and on enhancing the transition to pre-school.

3.2 Governance

The governance structures of ECEC and LTC (here limited to elder care) are relatively decentralized in that legislation leaves a large part of the decision-making to the *municipalities* in accordance with what is labelled as municipal self-governance (*‘det kommunale selvtyre’*). Hence, the municipalities could be seen as the main actors. Municipalities are also legally responsible for developing and operating day care institutions and day care in Denmark. Thus, ECEC is another large municipal welfare area.

In elder care, another important actor is the Ministry of Social Affairs and Senior Citizens. The ministry translates the Parliament’s political agreements into legal acts. Moreover, the ministry has overall responsibility for the elder care work of three government agencies including the Danish Patient Safety Authority, which oversees the municipalities’ elder care effort. Finally, ministerial units and initiatives supporting the municipalities’ elder care work have become more numerous in recent years, according to one interviewee. In ECEC, the Ministry of Children and Education develops policy and administers the framework for ECEC services. Since 2016, the ministry has introduced

pedagogical curricula in day care and undertaken various initiatives to aid municipalities in securing service quality in day care, among other measures.

3.2.1 Elder care

There are several *laws* that are relevant to the provision of elder care, but one form the core: The Social Service Act includes rights for citizens and regulation of publicly financed services and covers several types of care and other welfare services. With regard to elder care and care for people with disabilities, the services are subject to needs testing. The act obliges each municipality to set quality standards, which describes the level of service citizens can expect. An important change to the Social Service Act was made in 2003 with the introduction of a users' scheme of 'free choice' between at least two alternative service providers. This entitles all users of publicly funded domestic care to a free choice between different care providers (LBK nr. 1114). Public procurement was thereby facilitated. This legislative change also entailed a separation between service request (including means-testing) and the provision of the service. In addition, the separation means that the responsibility for each of these two tasks is often placed in different departments in a given municipality. Another important change took place in 2015 when 'rehabilitation' became part of the Social Service Act, and thereby compulsory for all municipalities. Rehabilitation (also known as 'helping to help yourself') of dependent older people is about helping and training the older person with the aim that he or she can, as far as possible, perform the functions that home helpers or relatives and friends previously provided. This legislative change has had consequences for the means-testing process, but also for the extent to which home help is provided and the content of it (Mailand and Larsen 2020; Vinge and Topholm 2021).

Current Danish legislation compels central government authorities (the central government sector) to apply labour clauses in procurement, but it only encourages regional and local authorities to do so. Most local and regional authorities apply labour clauses in public procurement, but there is great variation in their comprehensiveness, enactment and control; however, the large municipalities have developed quite advanced systems of labour clauses and enforcement mechanisms. The legislation reflects the ILO94 convention that obliges central government authorities to refer to the terms and conditions (hence, not only wages) stipulated in the most representative collective agreements in the particular sector (Refslund et al. 2020).

3.2.2 Early childhood education and care

Legislation on ECEC includes the Day Care Act (Dagtilbudsloven, LBK no. 1326 from 9/9/2020) and a number of consolidation acts. The most important for regulating the services offered are: the Consolidation Act on Day Care (Dagtilbudsbekendtgørelsen, BEK no. 1542 from 19/12/2019) and the Consolidation Act on pedagogical objects and content of the pedagogical curriculum (Bekendtgørelse om pædagogiske mål og indhold i seks læreplanstemaer, BEK no. 968 from 28/06/2018).

The purpose of the Day Care Act is fourfold: First, to promote the well-being, development and learning of children and young people through day care, leisure and club activities as well as other social pedagogical leisure activities. Second, to give the family flexibility and choices with regard to care and subsidies, so families can organize family and work life according to their needs and wishes. Third, to prevent negative social heritage and exclusion of children and young people. Fourth, to create coherence and continuity between care offers and make transitions between the care offers coherent and age-appropriately challenging for children. These aims have been fairly stable and have characterized ECEC regulation in Denmark since the 1990s (Larsen and de la Porte 2022).

In 2004, provisions regarding pedagogical curricula were added to the act stipulating the need for written age-group correspondent curricula being formulated at the level of the individual day care institution. Curricula must focus on personal and social development; communication and language development; body, senses and movement; nature, outdoor life and science; and culture, aesthetics and community (LBK no. 1326). These themes were further developed and strengthened in the Consolidation Act on the pedagogical curriculum from 2018 (BEK no. 968).

Previously, legislation only included public family day care but, after revision in 2007, it also includes the provision of private family day care that is financially supported and overseen by local municipalities. This change was in order to ‘harmonize the concepts of family day care and create a more uniform and transparent structure’ (Rostgaard 2015).

Following the childcare guarantee under the Day Care Act, the municipality must designate a place in a day care service for children from the age of 26 weeks until the start of school. Municipalities are also responsible for developing day care and for ensuring that the content of day care services corresponds with the objectives stipulated in the Day Care Act. The framework for supervision can be adapted to local policy, but must be an active tool in securing the development of service quality in day care (LBK no. 1326).

3.3 Services provided

3.3.1 Elder care

The Social Service Act is the main act when it comes to elder care. However, the *Health Care Act* is also important in that it obliges the municipalities to provide home nursing if a citizen’s practitioner has found that the citizen is in need of this service. In relation to home nursing, practitioners – not municipalities – are responsible for means-testing and it is obligatory to separate the user and the provider and to offer a free choice (Vinge and Topholm 2021).

Organizationally, elder care overall can be divided into three types: (a) ‘nursing homes’ and ‘sheltered accommodation’ (accommodation connected to and in geographical proximity to nursing homes); (b) ‘residential care homes’ (accommodation tailored for the needs of dependent older people, which the

municipality approves for elder care and where the older person pays rent); and (c) ‘home help’ (provided to older people living in their own homes) (ældresagen.dk).

Nursing homes and sheltered accommodation exist in public and private forms. Municipalities run and fund the public forms, which are the most widespread. In contrast, ‘independent nursing homes’ are owned by private organizations, but publicly funded and run on a non-profit basis. So-called free nursing is privately owned, but partly funded by municipalities, while users are charged for the service. They can be run on a for-profit basis. ‘Outsourced nursing homes’ are delivered by a private provider of elder care following public tendering and can also be run for-profit (Hjelmar et al. 2016). ‘Residential care homes’ are all public whereas ‘Home help’ exists in both public and private (outsourced) forms, as will be described below.

Regarding the *content* of the service provided, elder care in Denmark is often separated into two types: Personal care (including personal hygiene, dressing, getting out of bed, eating, etc.), and practical assistance (including cleaning, laundry, shopping, preparing food, etc). In addition to this, home nursing tasks are performed both by municipal nurses and by home helpers (see below).

With regard to service *coverage*, 122,000 people over the age of 65 received practical assistance and personal care in private homes in 2018. This represents a 22% decline since 2008. Considering that the number of elderly persons has increased during the same period, the proportion of dependent older people aged 65+ who are entitled to home help in private homes has declined from 19% to 12% (Ældre Sagen 2018). A recent research report has similar but also additional findings. This report argues that the share of ‘weak elderly’ (elderly who declare themselves in need of help) receiving home help in the form of practical assistance has declined from 43% in 2007 to 25% in 2017. However, the practical assistance older people receive from other sources - relatives, friends, etc. - has not increased in the same period. Moreover, the report shows that practical assistance from the municipalities and help from relatives and friends substitute rather than supplement each other. The focus on ‘weak elderly’ implies that the decline cannot be explained by improvement in the elderly population’s general health, which the report furthermore questions.¹ The possible explanations proposed are that fewer older people are applying for help, or – more likely – that the criteria for need testing among Danish municipalities has tightened (Rosgaard and Matthiessen 2019; Mailand and Larsen 2020).

The *service quality* in elder care has been addressed in two earlier FAOS reports (Mailand and Thor Larsen 2017; Mailand and Larsen 2020). The first-mentioned study included, inter alia, a literature review on this issue. In the case of the elder care sector, no clear indications were found with regard to increased or decreased service quality. The few available sources pointed to stability

¹ The National Health Authorities own recent report on the subject (Sundhedsstyrelsen 2019) questions whether the health condition of the elderly have actually improved overall. In their analysis, 14% of men and 17 % of women reported physical conditions, both in 2010 and in 2017.

rather than change, and this also applied in relation to the question of service quality before and after services had been outsourced.

However, despite this, the second-mentioned study found that a number of Danish municipalities have retracted former outsourced elder care services due to poor service quality by the private provider, indicating that service quality also varies among private care providers. It is, in particular, the presence of multiple home helpers in the same private household that seems to affect service quality as well as when the home helper is late for their appointment or short of time to provide the promised care services. These findings could indicate that deteriorating job quality leads to lower service quality in some instances, even if the majority of elderly people are pleased with the care services they receive irrespective of whether it is from private or public care providers (Mailand and Larsen 2020).

Moreover, most stakeholders from the first-mentioned study seemed to agree that quality issues exist. According to this FAOS study, the minister responsible for elder care found that the municipalities looked too much at the price and too little at the quality when elder care is outsourced. The trade union FOA asked for mechanisms that could force the municipalities not to accept the lowest bid, if this is unrealistically low. FOA furthermore saw a connection between unrealistically low bids and a previous high level of bankruptcy among private elder care providers. Also the Confederation of Danish Industry (DI), which represents some of the private service providers, warned against always choosing the cheapest offer from their member companies, because this might lead to insufficient quality and bankruptcy. LGDK found that the municipalities already have an eye for the price–quality balance and referred to LGDK’s guidelines for outsourcing, mentioned above (Mailand and Thor Larsen 2017).

These statements were by and large confirmed by the interviewees in the second FAOS study. The interviews also illuminated that part of the explanation for the lack of a clear link between increased work intensification and lower service quality in the eyes of the users could be the home helpers’ high commitment, in general, to deliver high-quality services despite tougher circumstances. Moreover, an NGO interviewee from that project - who had previously been responsible for elder care user evaluations in a municipality – questioned the validity of the user-satisfaction evaluations. According to this interviewee, elderly people often have no relatives to help them answer the questionnaires. In addition, their cognitive capacity is in some cases reduced. As a result, the older person often answers the questionnaire together with the prime provider of the care being evaluated (i.e. the home helper). This is a situation which can easily lead to biased answers (Mailand and Larsen 2020). One of the trade union interviewees in the present project, who previously had a management position in another municipal elder care service, pointed to exactly the same problem.

Most of the interviewees in the present project who made statements about service quality found that problems still exist and have intensified. However, some interviewees also modified the picture by confirming that the government that came into office in 2019 has linked the welfare budget to demographic changes (see the next section) and this might stop the decline in expenditure per

user and thereby benefit service quality, although this is not certain. Moreover, the interviewees from LGDK were not so much of the opinion that the quality of the service had been reduced, but that it had changed towards rehabilitation.

3.3.2 *Early childhood education and care*

In Denmark, ECEC services for children aged 0–5 years broadly include four forms of day care: Day care institutions either fully or partly publicly funded (*daginstitutioner*); subsidized family day care (*dagpleje*); subsidies for hiring formally approved private home care; and subsidized home care of one's own children.

According to the Day Care Act and the Consolidation Act on Day Care (BEK no 1542) municipalities must provide parents with a subsidy for municipal day care. The municipality's subsidy is not paid directly to the parents but to the day care service, and must be used for the running of the day care service.

Organisationally, ECEC services can take on different forms and include municipally governed, self-governed and private day care, the latter including outsourced institutions. Most of these are age-integrated institutions for 0–5 years, but also include separate crèches (0–2 years) and kindergartens (3–5 years):

- *Municipal day care institutions* are municipally owned institutions such as crèches, kindergartens and age-integrated institutions. The institutions target children aged 0–5 years. The fee for a place in the institution must not exceed 25% of the budgeted costs for the place.
- *Self-governed day care institutions* are run by private providers based on an operating agreement with the municipality. Self-governed day care institutions are subject to municipal supervision and receive municipal grants to cover the institution's expenses. The fee for a place in the institution must not exceed 25% of the budgeted costs for the place.
- *Outsourced day care institutions* are set up by private providers based on a tender and operated according to an agreement with the municipality. Outsourced day care institutions are part of the municipal supply, and the municipality allocates places in the institution. The fee for a place in the institution must not exceed 25% of the budgeted costs for the place.
- *Private institutions* are run by private providers by approval from the municipal council. The municipality cannot allocate a place in a private institution. The municipality provides a subsidy per child admitted to the private institution. The private institution itself determines the payment made by the parents.

Since the mid-1960s, *family day care* has been part of the public provision of ECEC (Rostgaard 2012). Family day care is mainly used for the 0–2 age group, but is an important component in the overall provision of childcare. Family day care can be both *private* and *public*, and offers a care setting in a homely environment and with a smaller group of children. With regard to *public family day care* (which is by far the most widespread form), the municipality allocates

children to individual day care workers who can receive up to five children. If several people handle family day care, the municipality can decide that up to ten children can be placed within the same family day care unit. *Private family day care* is based on an agreement with the municipality. The municipality can assign places in private day care, but it can also determine that individual private family day carers should fully or partially decide on admissions themselves. Like other childcare arrangements, both public and private family day carers receive public subsidies and are regulated by the Day Care Act.

Families also have the option of a *private childcare scheme* where parents receive a financial subsidy from the municipality for hiring a private childminder. The municipality must approve the childcare agreement as a condition for the parents receiving the financial subsidy.

Finally, the municipality can decide to *offer parents a subsidy to look after their own children* from the age of 24 weeks and up to the start of school as substitution for a place in a day-care institution.

Regarding *service coverage*, as mentioned above, the childcare guarantee contained in the Day Care Act stipulates that the municipality must designate a place in a day care service for children from the age of 26 weeks until the start of school. Hence, through legislation there is formally 100% service coverage for children aged six months and beyond. Across the different types of day care provided, the de facto service coverage varies somewhat between municipalities. On average, 70–80 % of 0–5-year-old children are enrolled in a municipal or self-governing day care institution (Dalsgaard et al. 2016). Across municipalities, only about 15% of day care is private, but this adds to the overall service coverage in the municipalities.

Service coverage is highest for children between 3–5 years old and is above 95% across municipalities. The vast majority of children aged 0–5 attend day care institutions. There has been a sharp decline in the use of family day care in recent years, and in 2020 only about 11% were enrolled in family day care (ibid).

With regard to *service quality*, from a social mobility and learning perspective, Danish childcare has long been considered a success in providing positive outcomes in school performance for less affluent children (Larsen and de la Porte 2022). Moreover, an important discussion within the ECEC sector at EU level as well as at the national level in Denmark has been on the quality of care, focusing both on structural aspects including ratios of children per staff member and skill levels, as well as on more processual aspects including the direct interaction between care staff, the environment and the child (Slot et al. 2015; KL 2020; de la Porte et al. 2022; Christoffersen et al. 2014).

According to the interviewees of the present project, Danish political debate in the last ten years, in terms of so-called structural quality, has focused on the issues of sufficient coverage of care and especially the ratio of care workers to group size of children. In 2020, the child ratio per family day carer was 3.3. In day care institutions for children aged 0–2 the child ratio per staff member was 2.9 and for day care institutions for children aged 3–5 the ratio was 5.7 (Statistics Denmark, BOERN3).

In terms of processual quality, important initiatives have also been undertaken. In 2016, policies formulated under a liberal–conservative government introduced pedagogical curricula in day care as well as measures to improve supervision and the securing of service quality in day care. Among other initiatives, the government introduced a Forum for Quality in Day Care that included LGDK, trade unions and other NGOs. The forum has actively engaged in developing standards for pedagogical curricula, conducted evaluations and developed tools for improving local supervision of day care quality

As mentioned in the above description of the legislation, maintaining and developing the quality of services is a main aim of the municipal supervision of services. Moreover, as part of the implementation of the political agreement on minimum staffing standards, the requirements for the municipalities' supervision of day care services was also tightened in 2022 (Regeringen et al. 2020). The municipalities must re-evaluate their own supervisory models and make them more stringent. In addition, a new central government task force has been formed offering supervision for municipalities. To help municipalities and day care facilities measure and improve the quality of services, a number of tools have also been developed and made available through various knowledge centres and LGDK. Several of these are aimed at measuring the quality of the learning environment, the child's social, linguistic and motor development. In a national survey of the quality of day care centres published by the Danish Evaluation Institute (EVA) in 2020, the quality of municipal kindergartens was found to vary depending on the dimension in focus. Overall, 19% of municipal kindergartens were assessed as being, on average, of good quality. However, 6% of kindergartens were of inadequate quality – i.e., the staff's contact with children was predominantly negative and reprimanding; the children experienced a lot of waiting time between activities; or there was a lack of play materials. In the remaining 75%, quality was satisfactory (EVA 2020).

In terms of user satisfaction, a survey in 2002 found overall high satisfaction with family day care, which was on par with satisfaction with centre-based care in six larger cities in Denmark (LGDK, quoted in Rostgaard 2015).

There is no well-documented difference in the quality of care between private, self-governing and public care. Since 2005, a change in the legislation has allowed the creation and running of private care centres for children aged six months until school age, if the municipality approves the care centre. Private care centres receive municipal funding corresponding to the average expenditure of the municipality per child in similar age groups. Moreover, they are entitled to subsidies for rent and administration corresponding to that which self-governing institutions receive. Private day care centres have more independence in the daily running of care, but the municipality oversees the quality of care. The municipality cannot refer children to private institutions. Private institutions must establish and publish guidelines for the admission of children, and cannot reject children other than on the grounds of being full or based on sound arguments for not being able to handle a child's special needs. Most private care centres are non-commercial and, moving forward, the agreement reached in December 2020 on minimum staffing requirements

prohibits the running of for-profit day care (Regeringen et al. 2020). Hence, any funds may only benefit the day care centre and children. With the new rules, private actors – i.e., parent groups in smaller urban communities - will continue to be able to establish private alternatives to the municipality's day care services and receive subsidies for this.

3.4 Expenditure

3.4.1 Elder care

Comparative statistics covering 26 OECD countries provided by the SOWELL project coordinators place Denmark third with regard to spending on LTC measured as a share of GDP (3.7%) and eighth when it comes to the proportion of persons aged 65+ receiving care (14.9%) (Pavolini 2021).

Public expenditure on elder care has increased slightly since 2008, as indicated in Table 2.1. Also, a small increase can be seen relative to other welfare areas. However, relative to the number of elderly people (those aged 65+), the inflation-adjusted figure (excluding housing for the elderly) represents a decline of 21% from 2007–2017 (Rostgaard and Matthiessen 2019).

Table 3.1 Service expenditure on elder care

	2008	2011	2014	2017
Inflation-adjusted expenditure (in billion DKR)	42.1	42.4	43.7	46.2
Share of all social service expenditure (percentage)	16.2	16.7	17.5	18.5

Note: Data-break from 2018 makes the most recent figures incomparable with the earlier period and these are therefore not included. Source: Ældre- og Sundhedsministeriet 2020.

A Social Democratic government took office in June 2019.² As part of the government's welfare policies, expenditure was increased in accordance with demographic changes – a policy which was formalized in the 2020 Welfare Act. The newness of this development as well as a data-break mean that the change cannot yet be illustrated statistically. Interviewees agreed that the change was being felt in the municipalities, although it in no way solved the multiple challenges in the sector. Some interviewees found that correlating expenditure with demography only stabilizes expenditure at too low a level, caused by years of declining expenditure per user.

When asked about expenditure, FOA, the DaneAge Association and LGDK interviewees all confirmed that expenditure per user has declined. However, the LGDK interviewees emphasized more than the others that this, inter alia, should be seen in connection with a reorganization of elder care towards rehabilitation and help-to-self-help and the development in welfare technologies.

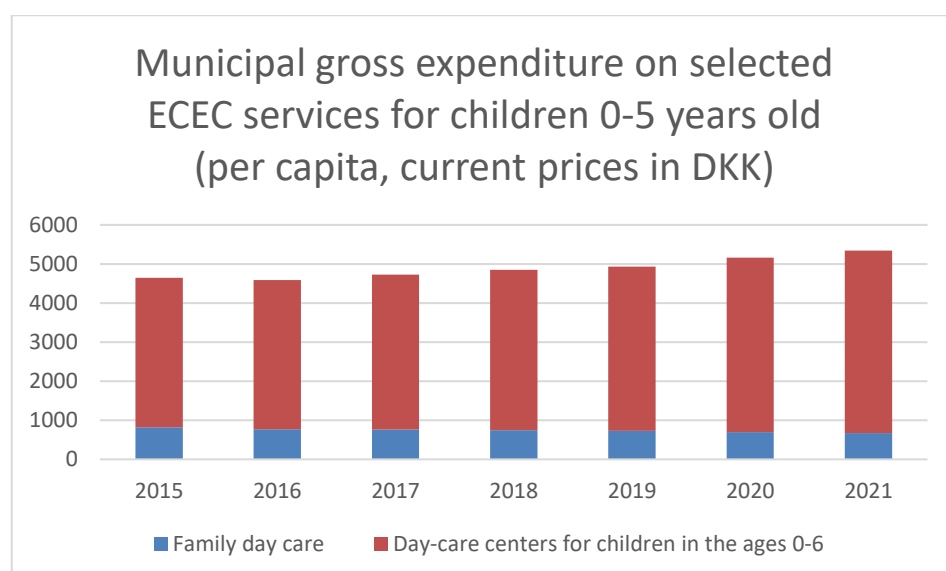
3.4.2 Early childhood education and care

² The Social Democratic minority government was replaced in December 2022 by a Social Democratic-led center-right majority government.

ECEC is an important welfare task of the municipalities with net operating expenditure of around 3.36 billion euro in 2017, which corresponds to approximately 9,400 euro per enrolled child. In addition, the sector receives income from parental payments amounting to approximately 0.7 billion euro (Børne og Socialministeriet, 2018).

In Figure 3.1 below, net expenditures are shown in DKK per capita across all municipalities. The figure indicates that gross expenditure on ECEC has increased in recent years; however, seen in relation to the number of children, spending is moderate. In 2019, FOA noted that municipal expenditure on family day care had fallen 4.9% per 0–2-year-old child and 0.5 % for day care centres per 0–5-year-old child during 2018–2019 (FOA 2019a). Furthermore, because of the political agreements on minimum staffing requirements, municipal expenditures in the ECEC sector are expected to rise in the coming years. However, as mentioned above, central government has allocated funds with the intention of funding the new staffing requirements.

Figure 3.1 Service expenditure per capita in ECEC (2015–2021)



Source: Statistics Denmark, REGK31

Municipal expenditure on ECEC services varies greatly. In 2013, a national report weighted the expenses across municipalities to be on average 17,850 euro per child ages 1–2 and 9,950 euro per child aged 3–5 (Lemvig et al. 2015).

Legislation stipulates that parental payments must not exceed 25% of the gross operating expenses per child of the individual day care centre or of the average gross operating expenses per child in the operation of day care of the same type in the municipality. The 25% constitutes a ceiling for parental payments.

According to a recent report funded by FOA, parental payments for 0–2-year-olds is on average 665 euro for family day care and 410 euro for care in a day care centre (without lunch). Moreover, there is great variation in the parental payments for 3–5-year-old children across municipalities. A place in a

day care centre without lunch costs 190 euro per month in Slagelse and 312 euro per month on Langeland (Glavind and Pade 2021).

3.5 Main service providers

3.5.1 Elder care

Since 2003, it has been possible for municipalities to outsource tasks within elder care as described above. Regarding elder care, §91 of the Service Law obliges municipalities to either make a contractual agreement with two or more service providers (at least one of them should be private) or provide elderly people who have been approved for help with a ‘document for free choice’, which allow the person to form an agreement with a service provider of their choice.

The balance between public and private providers can be measured in different ways. One is the ‘indicator for the exposure to competition’ (Indikator for Konkurrenceudsættelse, IKU). IKU measures the percentage of a welfare service (by its monetary value) that it is legally possible to outsource and which has been through a process of public procurement, regardless of whether the process results in private or public provision of the service at issue. The indicator for the category ‘elder care and disabled’ is shown in Table 3.2.

Table 3.2 Indicator exposure to competition (IKU) – elder care and disabled

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
IKU	19.8	18.5	18.2	19.1	18.9	19.3	20.0	20.0	20.7	21.2	17.7	18.3

Source: KL 2019

Measured in this way, private providers can be seen to deliver a sizeable and almost stable proportion of care for elderly people and those with disabilities in Denmark.

A second way to measure the role of private versus public providers is to look at the number of private providers in elder care, which shows some fluctuations. In the mid-2010s, the elder care sector experienced a number of bankruptcies among private providers, shown as a decline in exactly this period in Table 3.2. In the period 2013 to 2016, 38 private providers of home help faced bankruptcy, leading to situations where elderly people did not receive the home help they were eligible for. To address this problem, and as a first response, municipalities established reaction emergency teams of home-helpers. The bankruptcies happened because municipalities were too focused on prize-competition in public tenders and were unable to identify economically fragile providers. Recently, the social partners have developed a series of actions to tackle the problems associated with the bankruptcy of private care providers, which resulted in the period of mass bankruptcies coming to an end. For example, DI, together with LGDK, formulated new guidelines which municipalities can use to formulate requirements for private providers that take part in procurement processes, thus avoiding or limiting bankruptcies. Shortly after the bankruptcy period, the number of private providers declined again, as shown in Table 3.3. However, interviewees from a previous project estimated that the average size of private providers has increased in recent years (Mailand

and Thor Larsen 2017). One reason for the decline in private providers might be changes in the rules for public procurement introduced in 2013 which, de facto, limit the pool of providers and thereby includes an incentive to favour larger providers (Rostgaard 2017: 11–12). According to one interviewee, the bankruptcies could also explain the drop between 2017 and 2018 in the IKU indicator shown in Table 3.2, in that the bankruptcies led to temporary municipal hesitation about using private providers in elder care.

Table 3.3 Number of private providers of home help, 2008–2019

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
319	377	413	396	396	459	432	387	326	357	320	291

Source: Statistikbanken, table VH33

These statistics could give the impression that there is a high level of privatization in elder care. However, because it is mainly cleaning services (part of practical assistance) that is outsourced – which accounts for around 17% of the total hours in home help – the proportion of working hours provided by private care staff is not that high, and was found in 2016 to be 15% (DI 2016).

One of the trade union interviewees pointed to a difference between public and private providers that has not received much attention. Because it is the more wealthy elderly, who, de facto, are able to make the choice between a public and a private provider, well-off clients, according to this interviewee, are overrepresented among private providers. This form of ‘creaming’ has, to the authors’ knowledge, not been analysed in the large number of existing quantitative studies of elder care. According to several of the interviewees, the informal sector hardly plays any role in elder care, whereas it does in care for people with disabilities. One of the reasons for this is that elderly people – who are referred to publicly financed elder care – only use help from other providers, including informal providers, to a limited extent (see below).

3.5.2 Early childhood education and care

Competitive exposure through public procurement has been limited in ECEC services but has involved municipal cleaning and technical services, which cut across care sectors at the local level (Hansen et al. 2018). However, the ECEC service area is characterized by a number of self-governing institutions. In addition, spurred by local communities and parent groups which have created institutions to meet local preferences for day care, the number of private intuitions has also increased in recent years. The Table 3.4 below illustrates the development by number and type of provider among day care centres.

Table 3.4 Type of day care institutions (centres)

	2017	2018	2019	2020
Municipal	2,872	2,798	2,791	2,781
Self-governing	569	535	520	500
Private	505	548	553	568

Source: Statistics Denmark, BOERN4

Family day care mainly includes care for children aged 0–2 and is an important part of the day services offered (Rostgaard 2015). However, family day care is partly substituted by an increased use of day care centres. In 2008, more than 32% of all 0–2-year-olds were in family day care, while in 2020, only 16% of 0–2-year-olds were in this type of care (DST 2020). Demographics can only partly explain this development. In addition, municipals opting for more day care centres and variation in parental preferences have helped to intensify this change (Glavind and Pade 2021).

Moreover, families opting for a private childcare scheme where parents receive a financial subsidy from the municipality for hiring a private childminder has also increased the number of private providers of day care. The numbers of children in this form of day care have doubled since 2008, although it still remains a minor area with approximately 10,000 children in 2021, corresponding to less than 3% of the population of 0–5-year-olds in Denmark (Glavind and Pade 2021).

According to the Day Care Act, municipalities must provide subsidies for private childcare schemes for 0–2-year-old children. In the case of 3–5-year-olds, it is voluntary for the municipality to do so. Regarding subsidies for caring for one's own child, it is voluntary for the municipality to provide subsidies for all age groups (LBK no. 1326). In 2021, according to a report produced for FOA, 72 municipalities provided subsidies for private childcare schemes for 3–5-year-old children, while 26 municipalities chose not to provide such subsidies. Moreover, 61 municipalities provide subsidies for the care of one's own children aged 0–2, while 45 municipalities provide similar subsidies for 3–5-year-olds (Glavind and Pade 2021).

4. The employment relations system

4.1 Main characteristics of employment relations in the public sector

Table 3.1 shows the scores for Denmark in the University of Amsterdam's Ictwss database. The table illustrate that the role of social partners is recognized in Denmark and that the government involves the social partners in decision-making. The scores are unchanged from 2000 to 2017.

Table 4.1 ICTWSS industrial relations database, scores for Denmark, 2000–17

	Score	
Government intervention in wage bargaining	2	Providing an institutional framework of consultation and information exchange and a conflict resolution mechanism
Routine involvement of unions and employers in government decisions on social and economic policy	2	Full consultation, regular and frequent involvement
Minimum wage setting	1	Set by (sectoral) collective agreement
Right of association, government sector	3	Yes
Right of association, market sector	3	Yes
Right of collective bargaining, government sector	3	Yes
Right of collective bargaining, market sector	3	yes

Source: University of Amsterdam's Ictwss 2000–2017.

Table 4.2 includes further basic information about the Danish labour market across the private and public sectors based on the Ictwss database. Most important here is the comparatively high but declining trade union membership, and that nearly three-quarters of the private labour market is estimated to be covered by collective agreements and nearly the whole of the public sector is covered (most likely not including outsourced services). It should be noted that the number of trade union confederations declined to three when the largest (LO) and the second largest (FTF) merged to form a new confederation, the Danish Trade Union Confederation (FH) (Andersen and Hansen 2019).

It is perhaps more relevant for the present project to focus on the employment relations (ER) system in the public sector. Public sector ER is divided in three areas or levels, with the central government sector in many respects being the lead sector, whereas most employees work in the municipal areas. The smallest and less influential of the three areas is the regional area, which mainly includes public hospitals.

Collective bargaining covers 98% of employees in the central government sector. The remaining 2% covers employees who have individual contracts or whose pay and conditions are unilaterally regulated by legislation (Due and Madsen 2009: 360). No statistics exist for the regional and municipal sectors, but the collective bargaining coverage is estimated to be at least as high as in the central government sector. However, these high percentages do not imply that collective bargaining is the only important type of regulation of pay and conditions. Legislation plays a role, most especially when it comes to

employment conditions (terms of notice etc.), holiday regulation, leave of absence due to childbirth and working environment issues (see below). Moreover, in the higher parts of the job hierarchy individual agreements often supplement collective agreements.

Table 4.2 The actors in and characteristics of employment relations

	2000	2005	2010	2015	2017
Number of union confederations	4	4	4	4	4
Membership of independent unions (thousands)	121.9	172.7	277.1	322.3	327.2
Net union membership (thousands)	1824.2	1776	1701.9	1724.3	1740
Total union membership (thousands)	n/a	2114.3	2026.1	1807.3	1901.8
Employers' organisation density in private sector, as proportion of employees in private sector employment (percentage)	54.1	53.4	0	n/a	n/a
Divisions across confederations are economically (education, status, rank) motivated	yes	yes	yes	yes	Yes
Divisions across confederations are sectorally (private v. public) motivated	no	no	no	no	no
Statutory power of confederation over its affiliates (1.0 highest score)	0.4	0.4	0.4	0.4	0.4
Bargaining (or union) coverage, private or market sector	n/a	n/a	72	n/a	74
Bargaining (or union) coverage, public or government sector	98	n/a	98	n/a	100

Source: Ictwss 2000–2017

All three main bargaining areas – central government, regions and municipalities – have a three-tier structure, where the first two (highest) tiers are closely related (see Table 4.3) (Hansen and Mailand 2013). The first tier is ‘cartel bargaining’, which normally takes place every second or third year. During these bargaining rounds, central government, regional and municipal employers, respectively, bargain with cartels (coalitions) made up of representatives of trade unions. The economic framework for the agreements is set here, including the so-called regulation mechanism (tying wage-growth in the specific part of the public sector to wage-growth in the private sector), and general wage-increases (in percentages). Moreover, the cartel bargaining agreements include various cross-occupational projects that the social partners will work on until the next bargaining round, all cross-occupational work conditions and eventually a sum to be bargained on at the second tier of organizational bargaining (individual unions). This second tier takes place more or less simultaneously with sector-level bargaining. Here, the individual trade unions conduct bargaining on all occupation-specific parts of wages, pensions and working conditions within an established economic framework. Furthermore, the development of various occupation-specific projects is often agreed at this level. In times of restricted budgets, there can be very little to bargain on at this level. The third bargaining level is the local level. This gained in importance from the 1990s onwards due to a partial decentralization of

especially wage bargaining, but the proportion of the wage-sum set at local level has stagnated at around 10% in recent years (Mailand 2020). Generally, it is a trade union related shop steward who acts as an employee representative in local level bargaining. Bargaining issues include, e.g., wages, working time, training and policies for senior employees.

Table 4.3 Levels, bargaining tables and actors in the public sector IR model

	The bargaining process	The actors
Sector level	Cartel bargaining (triennial)	Ministry of Taxation (until 2020 Ministry of Finance) Local Government Denmark (LGDK) Danish Regions Trade union bargaining cartels (coalitions)
	Organizational bargaining (triennial)	Ministry of Taxation (until 2020 Ministry of Finance) Local Government Denmark (LGDK) Danish Regions Individual trade unions
Local level	Local level bargaining (continual)	Institutions within the government Regions/institutions within regions Municipalities/institutions within municipalities Local branch union officials/shop stewards

4.2 Main characteristics and structure of ER in the ECEC and LTC sectors

As both the ECEC and LTC sectors have, in part, the same main employer (the municipalities, represented by LGDK) and both of the dominant trade unions (FOA and BUPL, respectively) are members of the bargaining cartel Forhandlingsfællesskabet, they take part in the same bargaining process at the organizational bargaining level. Thus, there are a great deal of similarities, but also some differences.

4.2.1 Elder care

Regarding collective agreement coverage, the elder care sector is estimated to have nearly full coverage in the public sector (Larsen et al. 2010: 268), while no figures are available for the private sector or publicly procured care services (however, see Section 5.1.1 for further information). Wage and working conditions within the public care sector are regulated through collective agreements negotiated at four different levels: (1) the cartel bargaining-level between LGDK and the trade union cartel Forhandlingsfællesskabet on general conditions and the overall economic framework; (2) the organizational bargaining level with negotiations between FOA and LGDK, setting occupation-specific conditions; (3) municipal; and (4) workplace level, where bargaining involves human resources and other directors on the employer side, and, on the employee side, shop stewards or local branch officers of FOA. Bonuses and extras as well as municipal/workplace specific conditions are set here. However, in 2016, 70% of FOA's members reported that workplace bargaining did not take place at their workplace (FOA 2016a).

4.2.2 Early childhood education and care

All of public day care and more than 73% of private day care is covered by collective agreements (figures from BUPL and FOA). According to the Day Care Act, families have the option to use a *private childcare scheme* where parents receive a financial subsidy from the municipality for hiring a private childminder. The private childminder must be approved by the municipality but is self-employed and not covered by collective agreements. The number of children cared for by private childminders has more than doubled since 2008, but in 2020 still included less than 3% of 0–5-year-olds (Glavind and Pade 2021). However, private childminders remain a small portion of total staff within ECEC.

Collective agreements are bargained at four similar levels in ECEC as described within LTC above.

5. The actors of employment relations in ECEC and LTC

5.1 Presentation of the main actors in the employment relations system

5.1.2 Elder care

Trade Unions: FOA is by far the largest trade union representing employees in the elder care sector, including home helps and personal services provided in private homes. FOA is the third largest trade union in Denmark with approximately 182.000 members. FOA is a member of The Danish Confederation of Trade Unions (FH). FOA mostly organizes public sector employees with a shorter education within cleaning, cooking, childcare and social and health services, including elder care. Union density was 71% in 2010 and has slightly increased since then; in 2015, it was 74%. Across the public sector, union density is 75%, while in the private sector it stands at 68%. Unsurprisingly, density is higher among full-time employees in the public sector (83%) and lower among marginal part-time workers (59 %) (Statistics Denmark, authors own calculations based on registered data). *The Danish Nurses Organization (DNO)* organizes the second highest number of employees in LTC. Membership stands at around 77,500 nurses; approximately 85% of Danish nurses are members of DNO (www.dsr.dk). According to one interviewee, the share is roughly the same for nurses working in elder care. DNO is a member of FH. The trade union 3F (Fagligt Fælles Forbund) organizes the third highest number of employees in elder care, and it is the largest organization of FH. 3F has around 265,000 members and is a general union which organises employees with shorter or no vocational education, primarily in the private manufacturing, construction and transport sectors, but also in some private services and in the public sector. In elder care, 3F primarily organizes cleaners and kitchen staff in nursing homes.

Total union density in elder care was estimated to be around 90% a decade ago and the sector has almost full collective agreement coverage (Larsen et al. 2010: 268). According to one trade union interviewee, the density is still 85–90% in the public part of the sector, whereas it is estimated to be around 50% in the outsourced private part.

Public employers' organizations: As public employers in the elder care sector, Danish municipalities are organized in Local Government Denmark (LGDK), which represents the municipalities as public authorities and public employers. Thus, LGDK has the employer role in sector-level collective bargaining and is the main organization representing the interests of Danish municipalities vis-à-vis the political system. LGDK takes part in the various tri- and multipartite negotiations, consultation and lobbying. However, the relative autonomy of Danish municipalities – so-called ‘municipal self-governance’ – means that the individual municipality is a very important actor with many responsibilities. Danish municipalities do not only provide elder care. They are also responsible for the budget and the allocation of resources to the elder care sector, organizing the public procurement of services along with the needs testing which determines older people’s entitlements to home help and personal care.

Private employers' organizations: Due to the use of public procurement for public funded home help services, private employers' associations are also relevant to include, since they organize some of the private care providers. The relevant organizations are the Confederation of Danish Industry (DI) and the Danish Chamber of Commerce, which are the largest and second largest private employers' associations, respectively, in Denmark.

Non-profit organizations: Non-profit organizations are also important actors in the elder care sector. With 850,000 members, the DaneAge Association is the second largest NGO in Denmark. Apart from being a powerful interest organization vis-à-vis the political system, the DaneAge Association organizes 19,000 volunteers. Among the volunteers are 5,000 'visiting friends' that pay visits to elderly people living alone in their homes and they have about 300 volunteers who eat lunch with older people once a week. Moreover, the DaneAge Association has around 1,300 volunteers who call around 12,000 older people who live alone each morning – so-called 'good morning calls' (Ældresagen 2017). The role of non-profit organizations is addressed in an ongoing debate concerning the role of the voluntary sector in providing elder care and other types of welfare. The role of the voluntary sector in providing welfare has increased in recent years, and has also increased in elder care. The social partners accept this, insofar as the voluntary sector adds to rather than replaces publicly financed welfare. However, the trade union FOA finds that such replacement has already taken place, whereas employers in LGDK disagree (Ziegler and Adelskov 2019; Striib 2019).

Figure 5.1 Map of the largest trade unions in LTC and their connections

FOA (organizing home helpers) > Forhandlingsfællesskabet
Danish Nurses Organization, DSR (organising nurses) > Health Cartel > Forhandlingsfællesskabet
3F, Fagligt Fælles Forbund (organisation cleaning and kitchen staff) > Forhandlingsfællesskabet

5.1.2 Early childhood education and care

Trade Unions: BUPL, the Association of Child and Youth Educators, is the main trade union representing pedagogues. The union was created in 1972, when the Danish Child Care Council merged with the Danish Kindergarten Council and the Association of Leisure Educators. Today, BUPL has more than 60,000 members including trainees and senior members. Union density is close to 80% among public sector employees and around 70% among privately employed pedagogues. The vast majority of the union's members are women. A congress held every second year elects the chair and main board of the trade union. In addition, a number (currently four) so-called travel secretaries are elected who assist and advise the 12 local branches during, for instance, collective bargaining at local level. BUPL is a member of FH. FOA – discussed

above – is the second most important trade union in ECEC services. They also organize the groups of pedagogical assistants and day care workers, among whom there is a large group of very young workers. FOA organizes 73.4% of these workers. Moreover, FOA also organizes the large group of family carers where union density is close to 100% (numbers provided by FOA).

Public employers: In the LTC sector, LGDK represents the municipalities as public authorities and as public employers as described above, and is also the main employer for publicly employed staff within ECEC.

Private employers' organizations: DI and the Danish Chamber of Commerce, the largest and second largest private employers' associations, respectively, in Denmark are also relevant for ECEC, but they play a lesser role as privatized day care is limited.

In addition, 'Daginstitutionernes Landsorganisation' (the day care institutions' national organization, DLO) represents the interests of approximately 800 primarily self-owned, but also private and municipal self-governing day care centres. They also advise their members in collective bargaining processes. 'Landsorganisationen for Danske Daginstitutioner' (the national organization for day care centres, LDD), originally offered support for the administration, operation and establishment of self-governing institutions, but today it offers these services to both self-governing and an equally large number of private institutions.

Non-profit organizations: FOLA is a smaller non-profit organization than DaneCare and mainly works to strengthen parental involvement and parental cooperation in ECEC services. FOLA was created by concerned parents in 1974 and has both individuals and day care institutions as members. It represents the voice of parents on various boards and commissions within the auspices of the Ministry of Children and Education and collaborates with LGDK and trade unions within the sector. FOLA has an elected board of parents representing parent organizations, parent boards and councils from individual day care centres. The organization has a small permanently staffed administration in Copenhagen.

Figure 5.2 Map of the relevant unions in ECEC and their connections

BUPL (organizing pedagogues) > Forhandlingsfællesskabet

FOA (organizing pedagogical assistants and day care workers) >
Forhandlingsfællesskabet

6. Wages and working conditions in ECEC and LTC services

6.1 Regulation of employment in the sectors – legislation and agreements

This section looks at regulations relevant for both LTC and ECEC.

In Denmark, most wage and working conditions are laid down in (mostly sector) collective agreements that cover up to 84% of the labour market, but with marked cross-sectoral variations in terms of coverage rates (Larsen et al. 2010). However, some labour laws exist and health and safety at work (i.e., work environment) is mainly regulated by labour law. The most important legislation for wages and conditions in ECEC and LTC includes the following:

The Holiday Act, which states, inter alia, that employees have the right to five weeks holiday per year and a holiday allowance of 1% of the annual wage. Collective agreements (CAs) often provide an extra week of holiday.

Sickness Benefit legislation: All employees have the right to sickness benefit for up to 22 weeks, if they have worked 240 hours of employment within the last 6 months or completed a vocational education course within the last 18 months. Hourly paid workers only have a right to their previous level of wages during sick leave, if their individual employment contract or collective agreement includes such rights. Salaried employees have the right to their previous wage level during sickness (Lov nr. 563 af 9/6 2006).

Parental Leave Act: All parents have a right to unpaid parental leave, but the level of wage compensation varies during the leave period. The statutory birth-related leave period has four parts: 4 weeks ‘pre-maternity leave’ before the expected birth; 14 weeks ‘maternity leave’ after the birth; 2 weeks ‘paternity leave’ following the birth (or within the first 14 weeks after birth with the employer’s agreement); and 32 weeks of ‘parental leave’ for each parent, which they can share (Borger.dk; Mailand and Larsen 2018).

The Salaried Employees Act regulates employment and working conditions for white-collar workers and some manual workers, depending on their employment status. The Act secures such workers’ rights to pensions, sick pay and maternity, paternity and parental leave as well as holiday entitlements and notice periods. However, the Act leaves wage settlements to collective bargaining and only covers employees who work more than eight hours a week. The Act covers most ECEC and LCT employees working within the local government sector, while those in the private sector are not covered. In the private sector, care workers’ wage and working conditions are regulated by the relevant collective agreement or, in areas of the labour market without Danish labour law or collective agreement coverage, wages and working conditions are regulated by the market (Mailand and Larsen 2018).

The *Health and Safety Act* (LBK nr. 1084 af 19/9/2017) states that health and safety issues must be resolved in cooperation between social partners and the Labor Inspectorate and that a workplace assessment (APV), which examines whether the working environment is safe and healthy, is mandatory. The APV should be conducted in collaboration between employees and management. An APV is a dynamic work tool designed to secure a systematic effort to improve the working environment. It includes, among other things, an examination of sickness absence and its causes. The Act contains general provisions on the

working environment. The law is binding on all companies and can result in fines if the regulations are violated. The Act mainly specifies the goals that need to be achieved to secure a safe working environment but not the means and methods of achieving them, which is the responsibility of the company in close collaboration with employees' health and safety representatives.

With regard to *collective agreements*, the agreement between LGDK and Forhandlingsfællesskabet covers both the ECEC and LTC sectors. The cartel-level collective agreement covering employees in both ECEC and LTC is the municipal collective agreement, which is renewed every third year and includes conditions for all employees in the municipalities regardless of their occupation. In respect of *renewals*, the expiration dates of both the cartel-level agreements and the organizational level agreements are agreed at every bargaining round. For more than a decade, the agreements have been renewed every third year.

6.1.1 Elder care

According to LGDK, the *number of collective agreements with public authorities* covering all or specific issues on pay and conditions in elder care is very high (LGDK 2021), but some are very specific in their content. If the focus is limited to the two largest groups of occupations – home helpers (SOSU assistants and SOSU helpers) and cleaners and service personal – the number is ten. However, as home helpers is by far the largest group in elder care, their general collective agreement could be considered the main collective agreement. To provide an impression of the *content of collective agreements*, the titles of clauses are presented in Table 6.1.

The content of this collective agreement is relatively standard for a Danish public sector agreement. As in other parts of the public sector, the 'hourly paid' (temporary employees) have fewer rights, and there are only five sections regarding them (§27–31). The final clauses primarily cover the regulation of trainees' pay and conditions.

Table 6.1 Main elder care collective agreement 2021 (clauses for monthly paid employees)

§3 Wages	§13 Free choice (part of pensions can be transferred to pay)
§4 Basic wages	§14 Working time
§5 Job function bonus	§15 Children 1 st and 2 nd sick day (employer' allowed absence)
§6 Qualification bonus	§16 Free from duty (situations in which employees are allowed this)
§7 Performance bonus	§17 Expenses in connection with work-related travel
§8 Personal wage guarantee	§18 Service suit
§9 Wages for special groups	§19 Work paid telephones
§10 Salaried Workers Act	§20 Transport
§11 Pensions	§21 Termination of employment
§12 Labour market supplementary pension (ATP)	§22 Other employment conditions

Source: KL og FOA (2021): Overenskomst for social- og sundhedspersonale. 73.01–O.21.

The collective agreement concludes with a series of annex-like texts in the form of 'protocols' focusing on issues such as flexi-jobs (wage-subsidy jobs for

people with a permanently reduced capacity to work), education agreements for those who are unskilled, and additional regulations regarding wages and working conditions.

There are two main *collective agreements covering private providers of elder care*, one signed by Danish Industry and FOA and the other signed by the Danish Chamber of Commerce and FOA. According to interviewees, there are only marginal differences between the CAs in the public and private parts of the sector, and some of these differences have to do with employee as well as employer preferences. One example is the so-called ‘senior days’, where employees aged 60+ can either be paid a bonus or use it for time off or for additional pensions. Senior days are included in CAs in publicly funded elder care, but not in the private part of the sector. Other differences include terms of notice. Due to different ways of presenting the wage components, it is not possible to compare wages directly by looking at CAs. According to interviewees, the differences are marginal. Supporting this view is the fact that private providers are obliged to match the public LGDK–FOA CA in the first year after outsourcing.

According to interviewees, *coverage of collective agreements* with the public authorities is close to 100%. Coverage rate of the CAs with the employers’ organizations for private providers is also very high, although lower than 100%, according to one of the trade union interviewees. Accordingly, all of the largest private providers now are members of either DI or Danish Chamber of Commerce, and covered by their agreements, but many of the smallest private suppliers are still uncovered. The frequent entrances and exits of small private firms makes it difficult to get accurate information. Hence, it is not possible to estimate the collective coverage rate in elder care, although the coverage of all the public and all the larger private providers makes it very likely that it is somewhat above 50%.

With regard to *compliance with regulations*, a trade union representative found no difference between public and private providers. FOA is engaged in a large number of labour court cases, primarily concerning unfair dismissal and violation of working time rules.

6.1.2 Early childhood education and care

Regarding *the number of collective agreements*, there are many collective agreements covering staff in ECEC services due to the number of private day care centres. However, just a few agreements entered into between LGDK and the two major trade unions in the ECEC services area (BUPL and FOA) cover the vast majority of employees within ECEC. These collective agreements set the standard for wage and working conditions with the ECEC area.

LGDK and BUPL has signed four main collective agreements covering pedagogues employed by municipalities or by self-governing institutions and pedagogues at day care institutions, after-school programmes, etc.

LGDK and FOA has signed three main collective agreements covering family day carers, pedagogues in the Copenhagen area, pedagogical assistants and day carers:

- collective agreements for family day carers
- collective agreements for pedagogues in the Copenhagen Municipality (due to a historical peculiarity, this group is organized in FOA and not BUPL)
- collective agreements for pedagogical assistants and day carers.

Moreover, LGDK, BUPL and FOA have together entered into collective agreements on managers' wages and working conditions and on working time for pedagogical staff at day care institutions, clubs, after-school programmes, etc. In addition, together other trade unions representing smaller groups of staff in the ECEC area – i.e., Social Pedagogues (SL) and Danish Metal Workers – the organizations have entered into a collective agreement on local wage-setting within the ECEC area.

The *content of collective agreements* is very similarly structured and demonstrated the well-coordinated bargaining system. However, as can be discerned from the three tables presented below, each personnel groups' collective agreement also has unique sections that relate directly to their conditions.

Table 6.2 Main ECEC collective agreement covering pedagogues (2021)

§4 Wages	§12 Pensions
§5 Positions as middle manager	§13 Labour market supplementary pension (ATP)
§6 Basic wages	§14 Working time and camp
§7 Job function bonus	§15 Children 1 st and 2 nd sick day (allowed absence)
§8 Qualification bonus	§16 Free from duty (situations in which employees are allowed this)
§9 Performance bonus	§17 Expenses in connection with work-related travel
§10 Transition and personal wage guarantee	§18 Termination of employment
§11 Salaried Workers Act	§19 Other employment conditions

Source: KL og BUPL (2021): Overenskomst for pædagoger ved daginstitutioner, skolefritidsordninger, klubber mv. 0.60–o.21

Table 6.3 Main ECEC collective agreement covering pedagogical assistants and day carers (2021)

§4 Wages	§12 Pensions
§5 Basic wages	§13 Labour market supplementary pension (ATP)
§6 Job function bonus	§14 Free choice (part of pensions can be transferred to pay)
§7 Qualification bonus	§15 Working time
§8 Performance bonus	§16 Children 1 st and 2 nd sick day (employee allowed absence)
§9 Employees at Schools in Copenhagen	§17 Free from duty (situations in which employees are allowed this)
§10 Personal wage guarantee	§18 Termination of employment
§11 Salaried Workers Act	§19 Other employment conditions

Source: KL og FOA (2019): Overenskomst for pædagogmedhjælpere og pædagogiske assistenter. 61.01–O.18.

Table 6.4 Main ECEC collective agreement covering family care workers (2021)

§5 Wages	§18 Overtime
§6 Basic wages	§19 Part-time work overtime
§7 Job function bonus	§20 Exceeding the care time for full-time employees
§8 Qualification bonus	§21 Work immediately in connection to shifts
§9 Performance bonus	§22 Evening events
§10 Personal wage guarantee	§23 Evening/night care
§11 Salaried Workers Act	§24 Care on Sundays and national holidays
§12 Pensions	§25 Children 1 st and 2 nd sick day (employee allowed absence)
§13 Labour market supplementary pension (ATP)	§26 Free from duty (situations in which employees are allow this)
§14 Free choice (part of pensions can be transferred to pay]	§27 Expenses related to further training
§15 Working time full-time employees	§28 Termination of employment
§16 Working time part-time employees	§29 Other conditions
§17 Changes in working time and remuneration	

Source: KL og FOA (2019): Overenskomst for dagplejere 66.01–O.18.

The coverage of collective agreements is high. Close to all family day carers are covered by collective agreements and so are the municipal and self-governing day care centres. In addition, according to a BUPL interviewee, 73% of private institutions are covered by collective agreements.

Collective agreements covering private institutions are more varied. BUPL has an agreement with DI that looks rather different from the agreement for BUPL's public sector employees. Thus, the BUPL-DI agreement has sections on free choice concerning pensions, free time in relation to children's sick days, senior days and holiday and pay. Moreover, pedagogical managers are not covered by this agreement. BUPL, FOA and SL also have a collective agreement with DE on pedagogical temporary work that is quite different from the above.

Regarding *compliance with regulations*, according to interviewees and similar to the LTC area – there no differences between public and private institutions.

6.2 Wages and working conditions in ECEC and LTC services

6.2.1 Elder care

With regard to *employment types and working hours*, a growing number of employees work part time in Danish elder care. The proportion of part-time work is high. Only 19% of SOSU assistants work full time, whereas 69% work 28–36 hours a week and 6% work as temps. The comparable figures for SOSU helpers are 10%, 75% and 8%, respectively (Vinge og Topholm 2021: 26). Moreover, a 2009 study showed that elder care is one of the areas within the

local government sector that most heavily relies on fixed-term contracts with as many as 21% of all employees being fixed-term workers. This was confirmed in a more recent study in 2018 (Larsen 2008; Holt et al. 2018). Nurses in elder care also work primarily (long) part time.

As described above, the social partners have introduced initiatives to increase the proportion of full-time staff and thereby reduce the recruitment problems. In autumn 2020, LGDK and the trade unions within Forhandlingsfællesskabet initiated a general strategy to increase full-time employment among municipal employees ('A Future with Full Time'). The strategy has a broad approach covering working-time culture, life course needs, employee involvement and work environment perspectives. While it concentrates on multiple care areas, especially LTC is in focus.

Interviewees pointed to some of the problems that such attempts have met with: On the supply side, night shifts, the experience of work intensification and the relatively ageing workforce have, in part, led to a situation where many home helpers as well as nurses prefer part time work. Moreover, the typical part-time positions with longer (32–34) hours leaves (at least formally) the decision whether to work full-time to the employee, because in the present labour market there is often a demand for extra hours. Finally, some employees who work long part-time hours feel that they work full time. Therefore, the attempt to lift employees to 37 hours per week has also meant reframing from 'full-time positions' to 'increased working hours ('op i tid') for some groups. These factors come on top of a general part-time culture in the public sector, where female employees especially (the majority) work part time.

On the demand side, the individual employer's wish for working time flexibility was mentioned during the interviews. This is enhanced by the fact that the need for labour is highest in the morning and the late afternoon/early evening with not much need in the early afternoon. The use of part-time labour is an easy way to match these needs. The trade unions have attempted to oblige employers to advertise for full-time positions. However, a LGDK interviewee stated that such obligations have had absolutely no effect in the municipalities where this has been tried on a pilot basis. Other interviewees found that although several municipalities now generally advertise jobs as full-time (in accordance with initiatives agreed with the trade unions), labour shortages mean that they sometimes have to fill the positions with part-time employees if the applicants insist on this.

Work environment in the elder care sector has lately become a major issue. A recent in-depth study suggested the possibility of separating the conditions of home helpers within the elder care sector and to see how their conditions in terms of different work environment-related issues developed over time (from 2005 to 2015). On a positive note, 74% of home help employees perceived their work as interesting and meaningful, and a declining number found that they had too much to do in their job. Moreover, overall the home helpers' conditions seem no worse than employees working in nursing homes or in residential care, but not better either. However, on the negative side, as many as 29% continued to report heavy workloads and only 33% felt that they had time to discuss work related matters with their colleagues. In addition, 33% felt frustrated because

older people were not getting the necessary help and 30% feared that reorganization would lead to negative changes in their job situation. Finally, 42% had considered resigning from their job within the last year. When comparing the figures from 2005 and 2015, the development points to a negative trend (Rostgaard and Matthiesen 2016).

Most of the above figures are worrying from an employee – and to some extent also from an employer – perspective. In relation to the fear that reorganization would lead to further negative changes in the home helpers' work situation, it is relevant to point to structural reform from 2007, which led to larger municipalities and reorganization of public institutions. These changes created insecurity among workers (Dahl 2010; Mailand and Thor Larsen 2017). Moreover, the recent period with a large number of bankruptcies may also have contributed to increasing levels of uncertainty among Danish home helpers. Work environment problems were also found in a survey of shop stewards within the elder care sector; this showed that approximately 67% agreed or partly agreed that employees were compelled to work faster than previously (Larsen et al. 2010).

Nurses also feel under pressure. A 2022 study shows that 61% of nurses find it necessary to work 'very fast' and 30% are of the opinion that speed has an impact on the quality of the care (DSR 2021). According to interviewees, recruitment problems contribute to work intensification.

Although there are several in-depth studies of the consequences of outsourcing for employees across the public sector (e.g., Mori 2020; Petersen et al. 2021), there are only a few that focus on elder care or make it possible to consider the elder care sector separately. An in-depth study by Rostgaard compares the working conditions of home helpers in the private (outsourced) and public sectors. Working in outsourced home help often involves a greater workload and a worsening of the psychological work environment, although on a few parameters - such as support from the employee's immediate manager and competency development - private home helpers do better than their public sector colleagues. In addition, the study concludes that the introduction of the 'free choice' scheme and increased use of private providers has led to greater diversity and specialization, but not necessarily more satisfied users (Rostgaard 2017). A more recent study adds to the picture of work environment challenges in the elder care sector and other parts of the care sector. This shows that around 42% of care workers experience physical violence or threats at work (Andersen and Christensen 2020). Trade union experiences confirm that challenges exist. In recent years, FOA has registered a substantial increase in the number of workers with work-related stress. This issue was addressed in the collective agreement of 2015, which considered the psychological work environment, and led to an agreement to set up a task force which could be involved in solving problems at workplace level. According to FOA, the 2011 early retirement reform, which made the scheme less rewarding, has also contributed to health and safety problems. This is because several senior elder care employees had planned for early retirement but decided to continue in paid employment due to the reform, although their work capacity had de facto been reduced; this in turn led to work-environment problems (Mailand and Thor Larsen 2017).

One of the trade union interviewees and the NGO interviewee said that there had been work intensification and a worsening of working conditions, whereas the employer interviewees questioned whether working conditions had worsened and found there was a lack of evidence for it. However, they acknowledged that home helpers had experienced a worsening of conditions. One of the trade union interviewees found that while physical health and safety problems have been reduced, an increase could be seen in psychological health and safety issues, often related to home helpers' frustration about not having time enough to deliver what they consider quality service.

Home helpers employed by the municipalities have one of the highest levels of sickness absence in the Danish labour market, with an average of 17 days per year. The level is increasing despite attempts to lower it. Private providers' sickness absence is somewhat lower and stands around 11 days per year (KL 2021; DI 2018). During the first wave of the Covid-19 pandemic in 2020, sickness absence was reduced to near zero among private as well as public providers, which interviewees interpreted as the will to make an extraordinary effort in an extraordinary situation. Less positively, the Covid-19 pandemic led to a feeling of insecurity and exposure among home helpers. Contributing to this was the situation that home helpers – despite having close user contact – were not a priority group regarding access to protective equipment, unlike doctors and nurses.

The *wages* of home helpers are in the lowest half in the public sector wage hierarchy, but not at the bottom. The average full-time pay of a SOSU helper is around 4,800 euro/month and around 5,000 euro/month for a SOSU assistant (including pensions, holiday allowances and bonuses, but excluding overtime pay). Of the 10 largest groups in the public sector, these levels are the 3rd and the 5th lowest, respectively (CEPOS 2021).

However, home helpers are currently receiving special attention, which, *inter alia*, has benefitted their wages. Labour shortages are already severe in the Danish care sector and they seem to have become worse due to demographic changes. Moreover, the Social Democratic government, which took office in June 2019, has committed to increase the staff/user ratio in the public sector, putting further pressure on labour supply. During the 2018 collective bargaining round in the public sector, FOA together with other public sector unions pushed for equal pay and wage increases for low-paid groups. It has been very difficult in the trade union movement to support extra wage increases for special groups, because other public sector groups will normally have to pay for this (Scheuer et al. 2016). In 2018, however, such a consensus was reached because it was part of a broader 'musketeer oat' (binding demands together) between the public sector unions which also benefitted FOA's groups. Since the employers in LGDK also had an interest in making care work more attractive to tackle labour shortages and, furthermore, hoped it would split the unions, they offered a substantial extra pay rise that benefitted especially FOA's groups of employees within elder care. This extra pay rise (additional to the wage increases for all groups) for care workers and some other smaller groups was equal to 0.3% of the financial resources allocated for the bargaining round – equal to 70 euro per year (Hansen and Mailand 2019). During the following

bargaining round in early 2021, a so-called ‘recruitment pond’ was agreed, but this time it was much smaller – 0.1% – due to resistance from other trade unions (Hansen and Mailand 2021).

With regard to the differences in wage levels between the public and private (outsourced) parts of the elder care sector, as already touched upon above, these are not large when the collective agreements are compared. However, Statistics Denmark has made a comparison of actual (as opposed to negotiated) hourly wage levels including all extras and benefits across 20 occupations found in both the public and the private sectors. The largest difference is for home helpers (covering private homes as well as nursing homes), where the wage level is 28% higher in the public sector (Danmarks Statistik 2018). The fact that a paid lunch break in the public sector is included in the calculation may explain some of the difference, but, most importantly, those private providers not covered by CAs might also have substantially lower pay levels than those that are covered.

6.2.2 *Early childhood education and care*

With regard to *employment types and working hours*, part-time employment is widespread among pedagogues and day carers, but most have a relatively high number of part-time hours. Only about a third of all pedagogical staff in ECEC work full time. About 45% of pedagogical staff in ECEC work 28–32 hours per week, and about 22% work 19 hours or less per week (KL 2019b). If more staff in ECEC services were employed full time, the unfulfilled demand for staff in certain municipalities could be alleviated.

Part-time work among most female dominated employee groups in the public sector is an issue long considered by social partners. Among these initiatives, LGDK and KTO (the forerunner of the bargaining cartel Forhandlingsfællesskabet) entered into an agreement on part-time employee’ access to a higher number of hours that came into force in 2007. It stated that employers have a duty to offer additional hours to part-time employees who want to permanently increase their working hours. In 2008, LGDK, FOA, BUPL and SL agreed full-time initiatives targeting pedagogues in the 2008 collective bargaining round. However, since 2007 the proportion of part-time employees in the municipal sector has actually risen.

In autumn 2020, LGDK and the trade unions within Forhandlingsfællesskabet initiated a general strategy to increase full-time employment among municipal employees (‘A Future with Full Time’, also mentioned in the LTC section above). The strategy has a broad approach covering working-time culture, life course needs, employee involvement and work environment perspectives. While it concentrates on multiple care areas, especially LTC services, there is also a focus on pedagogues in ECEC. In 85% of municipalities more than half of pedagogues are employed part time. The parties are working with 26 selected municipalities to develop action plans and test tools, with the aim of hiring more full-time employees and increasing the number of working hours for current staff. Best practice is shared countrywide. Among many independent initiatives, the city of Copenhagen, in agreement with the trade union BUPL among others, decided to advertise all pedagogical positions with

the possibility of their being based on full-time employment as part of the budget agreement for 2021.

Part-time work, and especially marginal part-time employment, has also been a salient issue for pedagogical assistants and day careers and is characterized by a large group of younger workers. As part of the solution to future staffing requirements, social partners are focusing on the possibility of upskilling these groups through further training programmes.

Finally, although the number of children in family day care has declined, FOA have expressed concerns regarding the increase in the average age among this group of employees. With many soon to reach pension age, FOA foresees a potential difficulty in recruiting younger family carers (Glavind and Pade 2020).

With regard to *wages*, pedagogues covered by the collective agreement between LGDK and BUPL and in full-time positions earn an average of 4,222 euro per month, according to BUPL. BUPL believes that this is too low, compared to other groups in the public sector with similar education levels. Similar to staff in elder care, the wages of pedagogues and pedagogical assistants are in the lowest half of the public sector's wage hierarchy. Of the 10 largest groups in the public sector, pedagogues are the 4th lowest, while pedagogical assistants are the lowest (CEPOS 2021). However, the group of more senior pedagogical assistants have a wage level that almost corresponds to that of well-educated pedagogues.

In accordance with nurses and others, BUPL their members to suffer from gender unequal wages formed historically, and that the collective bargaining system has been unable to lift their wage trajectory to correspond with their rise in educational level (BUPL 2019). FOA, as mentioned in above, argue that their members suffer from other structural wage issues related to low wages that reproduce gender unequal pay.

In the ECEC sector, *work environment* initiatives have focused on a broad range of issues related to the different services offered. According to interviewees, in terms of the physical work environment the focus has been on noise and lifting. Regarding mental aspects of the work environment, the threats of burn out and human relational work are especially emphasized.

In day care centres, initiatives concerning the physical work environment relate to indoor climate, lighting, space conditions, noise, working postures and lifting. Moreover, initiatives also focus on the mental work environment in terms of general well-being and stress, cooperation, collegial support, conflict management, violence and threats (Arbejdsmiljøweb.dk). Together with the organizations representing private day care centres, BUPL and FOA have also developed materials to inform the boards of their responsibility to secure good working environments.

In relation to family day carers' work environment, initiatives focus on the psycho-social working environment related to working alone and having to set clear boundaries in relation to children's transition from private home to family care, and securing breaks during the day in collaboration with parents. Strains include feelings of isolation, burn out and traumatizing incidents. Regarding the physical work environment, the focus is on good ergonomics and reducing strain related to lifting and performing routine tasks. Moreover, there is also a

focus on improving the physical environment for both staff and children to stimulate learning and development among children, secure a healthy indoor climate and ensure high standards of hygiene (BFA 2009).

Supervision of the work environment includes yearly workplace assessments (APV) (conducted at least every third year), the election of work environment representatives at local level, cooperation in working environment organization and cooperative committees and training and visits by the Danish Working Environment Authority.

7. Comparisons and conclusions

This report has analysed the balancing of pressures found in two selected Danish care sectors in terms of public budget constraints, job quality, service coverage and the quality of services. The balances form a sort of quadrilemma. To this quadrilemma we have added labour shortages/ recruitment problems, as it turned out to be a major challenge at the present time in the Danish care sectors.

From 2009 onwards the public sector in Denmark experienced mild austerity. However, since 2019 a new (Social Democratic) government has reinvested, somewhat, in the public sector and has linked the budget to demographic changes. The long-term consequences of this policy remains to be seen. It is likely to reduce the pressures linked to the quadrilemma, but not to remove the pressures entirely. Moreover, economic developments in 2022 leading to renewed pressure on public finances and municipal budgets suggest a new and less favourable economic situation once again.

The effect of the Covid-19 pandemic has not been analysed to any notable extent in this report, but it is still possible to conclude that, of the four pressures, Covid-19 mostly impacted the job quality (working conditions) of employees within both elder care and ECEC. Employees were placed under severe pressure by the pandemic in terms of the many measures taken to protect citizens and prevent the spread of Covid-19, while having to keep working. Unavoidably, this had an impact on service quality.

7.1 Findings from long term care (LTC)

7.1.1 *Budget constraints and service coverage*

The overall budget for LTC, according to most sources, has not declined but rather increased slightly during the last 10–15 years. However, the increasing number of older people suggests that spending per user and service coverage have both declined considerably in recent years.

7.1.2 *Service quality*

Most existing large-scale quantitative studies show stability rather than change in LTC service quality. However, qualitative studies, including the present project, indicate that many stakeholders are experiencing a decline in service quality. A factor complicating the picture is that the official aim of LTC has changed because of the trend towards rehabilitation, including a development from a focus on carrying out tasks for the elderly who are in need towards providing ‘help-to-self-help’. Also, studies of the consequences of outsourcing on service quality are inconclusive.

Outsourcing is used extensively in elder care. On some indicators private providers seem to perform better than public providers, while on others it is the other way around. It was not possible in this project to determine to what extent ‘creaming’ was taking place, i.e., to what extent private providers were more often chosen by the easiest-to-handle elderly people.

7.1.3 Job quality (including wages)

There are indications that job quality has worsened, although this was also questioned by some of the interviewees. This is mainly the result of work intensification, which again – at least in part – is caused by the declining budget per user. Sickness absence is high and increasing (especially among public sector providers) and the feeling among home helpers of being unable to deliver a quality service within the time allocated per user is common. The working conditions seems to be one among several explanations for the widespread use of part-time employment among home helpers.

Some studies show that job quality is better among public providers, compared to those in the private sector. However, interviewees reported less variation between the two types of providers' collective agreements and working conditions and pointed to the social clauses as one of the factors counteracting such differences. Still, national statistics show substantial higher wages (including all benefits) among public sector providers compared to the private sector. This difference might be explained by the existence of a section of small private providers not covered by the collective agreements.

The wages of those working in public elder care (as well as for the rest of the public sector) are not very flexible due to a rather centralized wage system and the so-called regulation mechanism, which ties the wage trajectory in the public sector to that in the private sector. This lack of flexibility might be the cause of more pressures on some of the other dimensions in the quadrilemma, because it represents a barrier to savings on labour cost (which can still be obtained through lay-offs).

Nurses (a smaller group in elder care) and by far the largest majority of home helpers have completed formal education. However, the proportion of unskilled home helpers is rising due to severe recruitment problems.

7.1.4 Recruitment problems

Problems in recruiting existing and future home helpers is the issue that is currently most at the forefront in elder care. The combination of an ageing workforce, problems in attracting people to the occupation and a part-time culture are a cause for concern across the actors involved. Several multipartite, government and social partner initiatives are currently being taken to address these challenges. Despite this, the problems seem only to get worse.

7.2 Findings from early childhood education and care (ECEC)

7.2.1 Budget constraints and service coverage

The overall budget for ECEC has increased slightly during the last six years. However, prior to that ECEC services experienced mild local austerity pressures, with varied outcomes in different municipalities as a consequence of the above-mentioned structural reform and changes in the measures controlling municipal spending. Local budget cuts typically meant a higher ratio of children per staff member, fewer trained staff, an earlier transition of children from nursery to kindergarten and/or more closing days.

7.2.2 Service quality

The introduction of minimum staffing requirements by law is one way to safeguard against local budget cuts and secure more equal standards in service coverage and quality across municipalities. The political agreement on minimum standards also set aside funds to implement this decision in the coming years so, moving forward, spending within ECEC will increase. Service quality is high, but it is also a political target area for improvement. The introduction of minimum staffing requirements represents a structural strengthening of service quality. Moreover, initiatives taken by the previous liberal-conservative government introduced pedagogical curricula in day care and measures to aid municipalities in the oversight and securing of service quality in day care. Overall, the combination of introducing curricula and strengthening municipal oversight of the quality of services together with minimum staffing requirements will strengthen service quality. However, the trade union BUPL has pointed to the need to further strengthen pedagogical education moving forward, but so far this has not been a political priority.

7.2.3 Job quality (including wages)

Collective bargaining coverage is high and wage and working conditions have been maintained. However, the above-mentioned local austerity has challenged job quality by reducing the ratio of staff per child and the increasing use of staff who are less well-trained. This has led to increased pressures on remaining staff and possibly has consequences for service quality. In recent years, the issue of job quality has gained in political importance and initiatives to safeguard minimum staffing requirements have been introduced, as discussed above.

Moreover, the various groups of employees within ECEC are female dominated and believe they suffer from a structural and historical gender wage gap. BUPL believe pedagogues' wages to be too low compared to other groups within the public sector with similar education levels. In accordance with amongst other nurses they argue, that their members suffer from gender unequal wages formed historically, and that the collective bargaining system has been unable to lift their wage trajectory to correspond with their rise in educational level.

Denmark is experiencing a double demographic pressure, with the highest rise by age group among elderly citizens but also an expected substantial increase in the population of the youngest citizens. Accordingly, most initiatives for improving staff recruitment have been taken in elder care, with less regarding staff in ECEC. However, a number of developments are similar in the two sectors. Recently, the government has also invested in increasing the number of staff and improved education and upskilling. None of this has been fully implemented, and thus it is difficult to discern how these initiatives will effect job quality.

7.2.4 Recruitment problems

Current recruitment challenges vary greatly across municipalities. Initiatives have been taken to increase full-time employment to alleviate labour demand. These have so far met with little success, most likely due to a combination of a strong part-time culture and the management of skills in planning everyday

work. Moreover, a challenging working environment and an ageing group of day carers, for instance, might also be important factors. It is too early to measure whether local staffing demand will result in improved wage and working conditions at local level.

7.3 Comparing the two sectors

7.3.1 *The quadrilemma and labour shortages*

The pressure on LTC seems higher than in ECEC. In LTC labour shortages are more severe, budget/user has declined, poor working conditions due to work intensification seem more widespread, the pressure on service quality is higher and service coverage is lower. This indicates that the quadrilemma is not only about trade-offs, but that pressure on one dimension might spill over to other dimensions. For instance, it is very likely that the worsening of working conditions through work intensification leads to poorer service quality, although empirical evidence for this in the two selected care sectors in Denmark is still lacking. With regard to labour shortages, the direct effect of these on the quadrilemma dimensions has not been analysed. However, as in the case of tighter budgets, labour shortages are likely to lead to downward pressure on three of the dimensions in the quadrilemma – service coverage, service quality and working conditions. Therefore, it might be useful to reformulate the quadrilemma as a five-dimensional 2+3 model, where budget restraints and labour shortages frame and limit the other three dimensions.

Beyond the quadrilemma and labour shortages, an important difference between the two sectors is that outsourcing seems to be more controversial in ECEC. Since 2020 it has not been possible to run ECEC institutions for-profit. Another important difference is that minimum staff ratios have been introduced in ECEC and not in LTC. Both these differences have political origins.

7.3.2 *Political attention and institutional set-up*

Both sectors are characterized by a high level of attention from the national political system (including the government and parliament). However, the role of the national political system is by and large limited to negotiation of the overall budgets for municipalities and issuing framework legislation, which leaves many decision to the municipalities.

Moreover, the social partners have strong roles to play in both sectors. A possible difference in institutional set-up between the two sectors is that in LTC there is perhaps the strongest Danish NGO, DaneAge, whereas the dominant NGO in ECEC, FOLA, is less strong.

The influence of the trade unions is strongest in the collective bargaining arena and, in terms of the quadrilemma, this is mainly related to wages and working conditions. The coverage of collective agreements is near 100% in the publicly funded part of the care services (according to interviewees), whereas it is 'high' in LTC and coverage is 73% in the (outsourced) private parts of ECEC (according to BUPL). Importantly, these figures do not include those who are self-employed.

Trade union influence is weaker in the national political arena, where most of the decisions on the quadrilemma dimensions of budget restraint, service coverage and service quality are taken. Here, the influence is limited to lobbying, ad hoc consultations and ad hoc tripartite negotiations. The political arena is where the overall budget and framework legislation for the two sectors are decided. The legislation has consequences for service coverage and service quality, but large parts of these priorities are left for the semi-autonomous municipalities to decide upon.

Overall, despite some differences, the institutional set-up of the two sectors is very similar.

7.3.3 Cross-sector and sector specific initiatives to curb labour shortages

During the recession post-2008, when budgets – including for the two selected care sectors – were further restrained, few social dialogue initiatives were taken to address the challenges brought about by the tightened budgets. However, several social dialogue initiatives have been taken in recent years to address the challenges of increasing labour shortages. Social dialogue initiatives in the two sectors (i.e., initiatives in which both trade unions and employers participate) include bipartite (social partners only) and tripartite (with government) as well as multipartite (with government and NGOs) initiatives. The trade unions' role in the initiatives includes a 'watchdog' function to ensure that wages and working conditions are not put under pressure in the attempt to solve the labour and skill shortages problems. The role of trade unions is not limited to this function, however.

The initiatives include several bipartite schemes across the whole of the municipal sector to address 'part-time culture'. The aim has been to increase the proportion of full-time employment and thereby reduce labour shortages.

Regarding *LTC specific initiatives*, the number is higher in the LTC than in ECEC. In LTC, some of the initiatives are anchored in the collective bargaining arena (the output being collective agreement protocols) and some in the political arena (the output being legal initiatives). Others are not connected to these arenas, but aim to share information and create common understandings (the output being reports and projects). Some are focused on labour shortages (recruitment), some on skill shortages (upskilling) and others on both of these. Moreover, the aim of some of the initiatives transcends labour and skill shortages and includes service quality as well. While few of the LTC initiatives are wage-related, it is worth mentioning one important exception. Partly due to Local Government Denmark's interest in making care work more attractive to tackle labour shortages, an extra pay rise for care workers became part of the agreement in the municipal sector during the 2018 collective bargaining round.

Regarding *ECEC specific initiatives*, there has until recently been more focus on service quality – via the newly introduced minimum staffing requirements – than on labour shortages. However, the new staffing requirements strengthen the importance of resolving the challenge of labour shortages. The initiatives taken more often have a focus on skill shortages (upskilling) than on labour shortages (recruitment).

As the institutional set-up is very similar in the two sectors, it is likely that *the explanation* for the higher frequency of initiatives in LTC may be found somewhere else, possibly in the pressure (so far) of higher problems in LTC than in ECEC when it comes to labour shortages. Explanations for other differences between the two sectors – such as the higher attention paid to service quality and a reluctance towards outsourcing in ECEC compared to LTC – are to be found in the political system, i.e., a higher political sensitivity concerning the care needs of children than of elderly people.

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Annex A. List of interviews*

All interviewees have received a draft of the report which they were invited to comment on.

A.1 Elder care, national level

- Louise Koldby Dalager, head of division and Michael Lauersen, head of division , LGDK (June 2021)
- Karen Marie Myrndorff, chief consultant, LGDK (October 2021)
- Troels Yde Toftdahl, head of welfare, Danish Chamber of Commerce (September 2021)
- Torben Klitmøller Hollmann, head of section social and health, FOA (June 2021)
- Per Tostenæs, senior consultant , DaneAge Association (June 2021)
- Sven Erik Bukholt, head of section, and Søren Svane Kristensen, chief consultant, Ministry of Social Affairs and Senior Citizens(September 2021)
- Mete Marie Kyed, consultant, Anne Dorte Lindgren, consultant, Danish Nurses Organization (November 2022)

A.2 ECEC, national level

- Hanne Steiness Olsen, chief consultant, ECEC services, LGDK (October 2021)
- Asbjørn Andersen, chief consultant, FOA (October 2021)
- Bettina Gottlieb, consultant, BUPL (November 2021)
- Thinne Nielsen, consultant, Daginstitutionernes Lands-Organisation (DLO),
- Steen Sterndorf, consultant, Landsorganisationen Danske Daginstitutioner (LDD) (September 2021)
- Signe Nielsen, chairman, FOLA (October 2021)

* In addition to these interviews, the report refers to findings from two other FAOS projects concerning elder care: Mailand and Larsen (2020) including seven interviews from elder care, and Mailand and Thor Larsen (2017) including three interviews from elder care. Moreover, the report has benefitted from the discussion of an expert panel at the national seminar presenting the national findings in November 2022. The panel included: Flemming Vinther, head of the bargaining division (BUPL); Kasper Manniche, head of economy and analysis (FOA) and Louise Koldby Dalager, head of division (LGDK).