

# ROCKWOOL FONDEN

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THE ROCKWOOL FOUNDATION

2017





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# THE ROCKWOOL FOUNDATION

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The ROCKWOOL Foundation is an impartial, financially self-supporting institution which engages in activities for the public good. The Foundation was established in December 1981, when six members of the Kähler family made over to it the equivalent of 25 percent of the shares in ROCKWOOL International.

From the outset, a declared aim of the Foundation was to generate independent knowledge about key social and economic issues in society with a view to improving the quality of the public debate and to creating the best possible basis for political decision-makers to work on.

Subsequently, this goal has been complemented by the aim of generating knowledge about how practical interventions can be used to help develop innovative and effective solutions to challenges within society. It is the ambition of the Foundation to contribute to strengthening the social and economic sustainability of the welfare state through both its research and its interventions.

The Board of the Foundation decides which projects will be supported, on the basis of recommendations from expert committees.

# THE YEAR AT THE FOUNDATION

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The financial crisis and the subsequent years of recession have contributed to a general understanding that a well-functioning and inclusive labour market with equal opportunities is fundamental to the financing and cohesion of welfare societies. In Denmark, as in other welfare societies, there are still relatively many citizens who live passive and marginalised lives without any connection to the labour market. This is despite the fact that at present the Danish economy is in growth, with prospects of bottlenecks on the labour market. There are still relatively large proportions of each new youth cohort who fail to complete a course of education that qualifies them for a job, and for whom rates of employment remain very low throughout their adult lives. Negative social inheritance remains clearly evident, and this has consequences for children's chances of realising their full potential. Poor integration and low rates of employment have a negative impact on multiple generations and entire residential areas.

This is one example of the social issues that particularly occupied us in 2017, that occupy our attention today, and that will continue to occupy us in the future.

In order to find solutions to the challenges faced by the Danish and many European welfare societies today, the first step is to seek knowledge about these challenges and their possible solutions. It is, and will continue to be, the ambition of the **ROCKWOOL** Foundation to provide independent and unbiased analyses of high quality and reliability. The Foundation has always collaborated, and will continue to do so, with Danish and foreign researchers, experts and organisations on a wide range of projects that all share as their overarching theme the sustainability of the modern welfare state.

In 2017 the **ROCKWOOL Foundation Research Unit** carried out work in many fields, including immigration and integration, marginalised groups and social mobility, and taxation and undeclared work. The analyses were carried out in cooperation with researchers from a number of Danish and overseas institutions. The research results were always made public through dissemination directed towards decision-makers and the public debate.

This work took the form of publishing in both specialised and more general media, participating in TV and radio programmes, making presentations, and holding press briefings, conferences and seminars.

The work of the **ROCKWOOL Foundation Interventions Unit** focuses on the identification, development and trialling of practical solutions to key challenges faced by society. These new and innovative solutions must satisfy rigorous evidence requirements, and they are developed and trialled in close cooperation with external partners and with the active involvement of target groups and actors associated with these groups. In 2017, the Interventions Unit launched a number of new initiatives, as well as pressing forward with activities begun in previous years in close cooperation with local authorities, vocational training schools and young people themselves in the development of these initiatives. These initiatives ranged from an intervention designed to promote language development in small children, through a project aimed at diminishing the drop-out rate from vocational training courses, to an employment initiative created to help young people on the margins of the labour market to find their feet.

On behalf of the Board and the Management, we would like to express our gratitude for the very committed and highly important work of the members of the two ROCKWOOL Foundation Programme Committees. These committees are always consulted prior to the Board's final decision on supporting any research or intervention project, and thus they help to ensure that the ROCKWOOL Foundation continues to work on projects of high standard and of relevance to present-day society. We also wish to thank our many external partners for their expert contributions to the work of the Foundation. Finally, we would like to thank the staff of the two units for the important work that they carry out to a high standard every day.



**Lars Nørby Johansen**  
Chair of the ROCKWOOL  
Foundation Board  
of Directors



**Elin Schmidt**  
President,  
the ROCKWOOL  
Foundation

## THE MEMBERS OF THE BOARD



**LARS NORBY JOHANSEN**

Chair. Also chair of several other boards, including that of København Lufthavn A/S. Formerly CEO of Falck, Group 4 Falck and G4S.\*



**ANDERS ELDRUP**

Deputy-Chair. Formerly CEO at DONG and Head of Department in the Ministry of Finance. Chair of Offshore Energy,dk and other boards.\*



**LYKKE FRIIS**

Prorector, University of Copenhagen. Former Minister for Climate and Energy and Minister for Gender Equality.\*



**FRANK JENSEN**

Lord Mayor, City of Copenhagen. Former Minister of Justice and Minister of Research.\*



**BO KÄHLER**

Member of the Board of HEADS AS, formerly CEO. Founder and Director of Research, IT and Tele at SINTEF\*



**LISE-LOTTE KÄHLER**

Head of Administration, Scandinavian Highlands Holding A/S.



**SØREN KÄHLER**

Graduate Engineer. Formerly had an international career with FLSmidt & Co. and ROCKWOOL International. Member of the Board of ROCKWOOL International.



**JESPER KÄHLER**

CEO of Sundhedsprofil A/S.



**ANDRZEJ KIELAR**

Managing Director, ROCKWOOL Central Eastern Europe.



**LARS E. HANSEN**

Senior Project Manager, Group R&D, ROCKWOOL International. Member of the Board of ROCKWOOL International. Elected by the personnel.

## THE PRESIDENT OF THE FOUNDATION AND THE MANAGEMENT TEAM



**ELIN SCHMIDT**

President. Formerly had an international career at Novo Nordisk A/S. Chair of the Danish NGO Mødrehjelpen and advisor to a number of other NGOs operating within the social sector.



**JAN ROSE SKAKSEN**

Professor and Research Director, the ROCKWOOL Foundation Research Unit. Former member of the Chairmanship of the Danish Economic Councils.



**HELENE BIE LILLEØR**

Interventions Director, the ROCKWOOL Foundation Interventions Unit.



**KASPAR KOFOD**

Finance manager.

\*Member of the Business Committee.



## MEMBERS OF THE RESEARCH PROGRAMME COMMITTEE



**TORBEN M. ANDERSEN**

Professor, Department of Economics and Business Economics, Aarhus University. Former President of the Chairmanship of the Danish Economic Councils and Chair of the Danish Welfare Commission.



**GRETE BROCHMANN**

Professor, Department of Sociology and Human Geography, University of Oslo. Served as Chair of two Norwegian welfare and migration commissions.



**PETER FREDRIKSSON**

Professor, Department of Economics, Uppsala University. Former Director-General of IFAU, the Institute for Evaluation of Labour Market and Education Policy (Sweden). Member of the Nobel Economic Sciences Prize Committee.



**PETER GUNDELACH**

Professor Emeritus, Department of Sociology, University of Copenhagen. Former Chair of the Danish Social Science Research Council.



**JAN ROSE SKAKSEN**

Professor and Research Director, the ROCKWOOL Foundation Research Unit. Former member of the Chairmanship of the Danish Economic Councils.

## MEMBERS OF THE INTERVENTIONS PROGRAMME COMMITTEE



**CHRISTIAN BASON**  
CEO of the Danish Design Center. Formerly Director of MindLab.



**HELENE BÆKMARK**  
Municipal Manager, Municipality of Faaborg-Midtfyn. Formerly CEO of Aging and Disability Services, Municipality of Odense and Head of Care, Health and Labour, Municipality of Fredericia.



**PETER FREDRIKSSON**

Professor, Department of Economics, Uppsala University. Former Director-General of IFAU, the Institute for Evaluation of Labour Market and Education Policy (Sweden). Member of the Nobel Economic Sciences Prize Committee.



**STEFFEN BOHNI NIELSEN**

Director for Children and Young People, Municipality of Gribskov. Formerly Deputy CEO of the National Board of Social Services (Socialstyrelsen) and CEO at Ramboll Management Consulting.



**JAN ROSE SKAKSEN**

Professor and Research Director, the ROCKWOOL Foundation Research Unit. Former member of the Chairmanship of the Danish Economic Councils.



**HELENE BIE LILLEØR**

Interventions Director, the ROCKWOOL Foundation Interventions Unit.

# RESEARCH

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The ROCKWOOL Foundation carries out research on issues of importance for the economic and social sustainability of the welfare state. One important criterion for selecting research topics is relevance, i.e. that the results can be used in decision-making processes that will affect the future form of the welfare society. Research was carried out in 2017 in the five areas listed below.

## **Tax and undeclared work**

It is vital that taxes are paid in accordance with the law, not only for the financing of the welfare state but also for members of the population to feel justly treated. Consequently, it is essential that the extent of undeclared work and tax fraud is kept to the lowest level possible.

## **Immigration and integration**

Globalisation and large-scale migration are phenomena that are closely intertwined. Like most European welfare states, Denmark has experienced significant immigration, and successful integration of immigrants is crucial to the future sustainability of the welfare society.

## **Family economics and the labour market**

A necessary condition for sustaining welfare in a society is a sufficiently large labour supply. However, an appropriate balance between work and family life also has a key role to play. As a consequence, it is important to track the structure of Danes' everyday lives, and the ways in which family backgrounds and circumstances can affect family members' wellbeing.

## **Marginalised groups and risk behaviour**

Living on the margins of society takes a great personal toll on the individuals concerned. At the same time, the existence of marginalised groups weakens social cohesion, increases expenditure on transfer incomes and preventative measures, and reduces income from taxation.

## **Disconnected young people**

Up to 8 % of any given annual cohort of the population never complete a course of education that qualifies them for a job, nor achieve a stable relationship with the labour market. This has negative consequences not only for the personal wellbeing of individuals, but also for the social and economic sustainability of the welfare society.

# SOME HIGHLIGHTS OF THE RESEARCH YEAR

## TAX AND UNDECLARED WORK

A book entitled *Danskernes liv med skatter, sort arbejde og gør det selv-arbejde* (Danes' lives with taxes, undeclared work and DIY work) by Lars Højsgaard Andersen, Kristian Hedeager Bentsen, Camilla Hvidtfeldt, Bent Jensen, Jan Rose Skaksen and Peer Ebbesen Skov, was published in May 2017. The publication represented the first recent attempt in Denmark to analyse the interrelationships among taxes, undeclared work and DIY work.

In 2016, undeclared work in Denmark amounted to around 2.2% of GDP. In 2009 the equivalent figure was around 2.8% of GDP, but allowing for statistical uncertainty in the measurements the situation must be regarded as being unchanged. Thus, undeclared work is not an increasing problem in Danish society.

The analysis showed that the most likely provider of undeclared work in Denmark is a young man aged 18-24, living in a rural area or a small town with a population of



*Research Assistant Kristian Hedeager Bentsen presenting new data concerning the extent of undeclared work at a press conference in May 2017. To his right are Research Director Jan Rose Skaksen and Senior Researcher Lars Højsgaard Andersen.*

fewer than 5,000 people. He has been trained in a skilled trade and is in receipt of a transfer income.

The researchers investigated whether people who carried out undeclared work were also more criminal in general than members of comparable groups. It was found that people aged under 30 who worked without declaring the income were almost 60% more likely than others to have broken the law in other ways. Young men who had earned undeclared income were overrepresented by nearly 50% in terms of committing criminal offences.

The book also contained new figures concerning the extent of DIY work, which continues to fall in Denmark. In 2016 only just over one in four Danes carried out the work themselves if something in the home needed repair, improvement or addition. In 2007 it was one person in three, while in 1996 it was one out of every two.

## **IMMIGRATION AND INTEGRATION**

Immigration and integration continued to constitute a high priority area. Notable publications during the year included analyses of immigrants' educational levels and of conditions for asylum seekers in Denmark.

The analysis of immigrants' educational levels was published in collaboration with Statistics Denmark in June 2017 and covered all formal education, both that acquired in Denmark and that completed overseas prior to arrival.

It transpired that Western immigrants are better educated than Danes. For example, fully 27% of these immigrants had completed long-cycle courses of tertiary education. Refugees were found to be the worst-educated group; a little over half of them have no education beyond lower secondary level. However, the study also revealed huge differences in educational levels among non-Western immigrants. Iranian immigrants, for example, are much closer in educational level to Poles and Germans than are immigrants from Syria and Turkey. Syrian immigrants in

*The analysis of immigrants' educational levels was presented at a well-attended press conference in the late spring of 2017. Laila Kildesgaard (Director, Local Government Denmark), Pernille Knudsen (Deputy CEO, the Confederation of Danish Employers), Ejner K. Holst (Vice-President, the Danish Confederation of Trade Unions) and Inger Støjberg (Minister for Immigration and Integration) then discussed the results in a lively panel debate.*



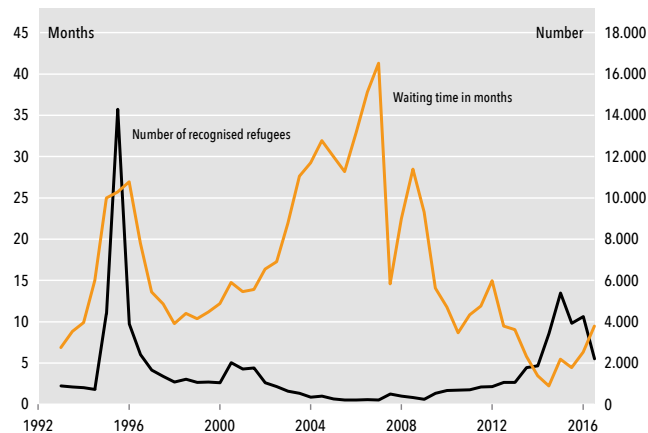
particular stand out, with 66% of them having no education beyond compulsory schooling level.

The study also documented the fact that education clearly improves integration into the labour market, though this is true to a much higher degree for education taken in Denmark than for that acquired prior to arrival in the country.

The analyses were afforded some weight in the public debate during the spring on immigration and integration. Several participants noted that the study filled a gap in existing knowledge; it was also pointed out that data from the study debunked the myth of there being numerous highly-educated Syrian refugees.

The analysis of conditions for asylum-seekers over the period from 1993 to 2016 followed in the autumn. It revealed a record low in Denmark in the waiting time to obtain refugee status. Refugees who obtained their residence permits in the period 2013-15 had to wait less than six months on average to have their cases settled, meaning that waiting time in the asylum system was at its shortest since 1993.

### Average waiting times in the Danish asylum system for refugees receiving residence permits during the period 1993-2016. Waiting time in months, and number of recognised refugees



Source: The ROCKWOOL Foundation Research Unit.

*Figure shows the average waiting time in months in the asylum system (left-hand vertical scale) and the number of recognised refugees not previously registered in Denmark (right-hand vertical scale). Both figures are calculated for the six-month period in which the refugees in question received their residence permits. The waiting time is defined as the period between the date of application for asylum and the date of a residence permit being issued. Figure is based on information for a total of 78,000 refugees for whom valid data are available.*

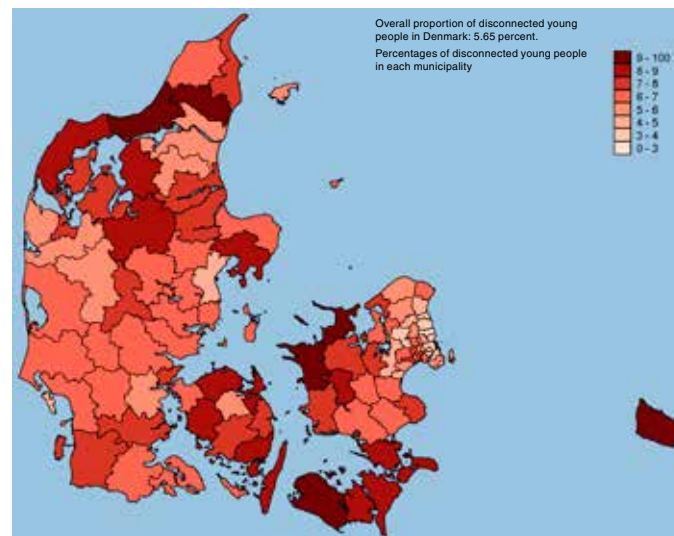
## DISCONNECTED YOUNG PEOPLE

A book entitled *Hvad vi ved om udsatte unge* (What we know about disconnected young people) by Signe Hald Andersen, Bodil Wullum Nielsen, Bent Jensen and Jan Rose Skaksen was published by Gyldendal in November 2017. The book presents a readily accessible summary of a range of topics including who these young people are, what it means to society in economic terms that 8% of a youth cohort do not enter fully into adult life, and which groups are particularly at risk of becoming disconnected.



The Foundation has subsequently learned that the book has been used diligently by local authorities in Denmark – for instance, by the new labour market and employment committees established following the municipal elections in November 2017.

## Proportions of disconnected young people in Danish municipalities, 2014



Source: The ROCKWOOL Foundation Research Unit.

*The largest proportions of disconnected young people are to be found in Northern Jutland and on western Zealand and the islands of Lolland, Falster and Bornholm, while the municipalities to the north of Copenhagen on the eastern Zealand seaboard stand out as having particularly small proportions.*

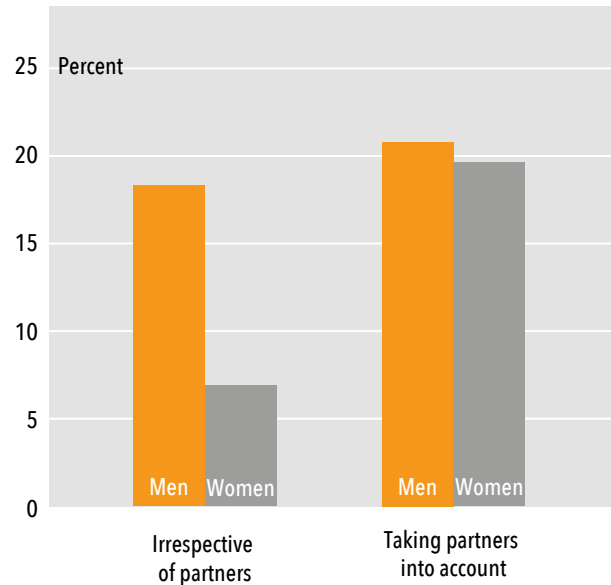
One chapter in the book presented an analysis by Signe Hald Andersen of the distribution by municipality of disconnected young people in Denmark. This analysis was first presented at the 2017 People’s Meeting on Bornholm, where it attracted the attention of local government politicians and civil servants alike.

## MARGINALISED GROUPS AND RISK BEHAVIOUR

A number of analyses were published in this area. Two studies in particular attracted attention: one of the role of social inheritance in criminality, and one of how many children are growing up in low-income families.

The first study was presented at the Bornholm People’s Meeting by Lars Højsgaard Andersen. The analysis confirmed that men who, as children, had witnessed their parents going to prison passed on this social inheritance to their own sons and daughters by being sent to prison themselves while their children were growing up. In contrast, women who as children had similarly witnessed a

### Social inheritance of criminality, measured both directly and after correction for choice of partner



Note: For men and women who themselves experienced a parent being sent to prison, the figures show the percentages of their children who also experienced imprisonment of one of their parents during the period between their birth and their fifteenth birthday.

Source: The ROCKWOOL Foundation Research Unit.



parent's imprisonment tended to pass on this social inheritance of criminality by having children with men who were subsequently sent to prison. Choice of partner is thus an important factor in the social inheritance of criminality between generations.

The study demonstrated that the more times a father goes to prison, the greater is the negative effect on his children.

The Research Unit's work on criminality has contributed to the discussion of justice policy both in Denmark and overseas. In Denmark, the research into the use of electronic tags has received particular attention. In the USA, some of the key results from the Unit's research into criminality have been used in discussion of the need for the reform of justice policy, and have been referred to in

a Senate hearing. In addition, several US states – Oklahoma, for example – have made use of the Research Unit's results in designing reform programmes aimed at reducing the number of inmates in their prisons.

The 'low income' analysis was published in a book by Jens Bonke and Anders Eiler Wiese entitled *Børn i familier med lave indkomster. Hvor mange, hvor længe, hvem og hvorfor?* (Children in low income families. How many, how long, who and why?). In 2015 there were at least 25,000 children in Denmark living in families whose income was insufficient to cover the Danish 'minimum budget', i.e. a budget that is just sufficient to meet the cost of modest but nutritionally adequate consumption. Over 7,000 children lived for three years in succession under such conditions.



# INTERVENTIONS

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Using research as the basis for its activities, the ROCK-WOOL Foundation Interventions Unit trials innovative solutions to specific societal problems through practical interventions. The aim is to provide information about effective solutions to key challenges faced by society, primarily within the areas of employment, education and integration, and with a special focus on disconnected young people.

## INTEGRATION INITIATIVES

One of the new initiatives in 2017 was aimed at socially disconnected parents of young children and involved the text-messaging programme TipsByText. The scheme was originally developed by Professor Susanna Loeb at the Center for Education Policy Analysis, Stanford University. The programme has achieved good results in the USA, and is now being adapted for use in Denmark.

The idea is to help parents to support their children's linguistic development. The parents receive short text messages with specific, inspiring suggestions for play and activities that they can easily incorporate into their everyday routines. The aim is to get parents to talk more to their children and engage in enjoyable activities with them.

Another new scheme in the process of development is intended for young people in the last stage of obligatory schooling who are in danger of failing their Year 9 final examination. According to the Economic Council of the [Danish] Labour Movement, 16% of school students today do not pass secondary school, and the figure is even higher for young people from ethnic minorities. The objective of the new initiative is to rekindle the desire to learn among students who are disenchanted with school. The programme involves firm-based learning, whereby young people have the opportunity to learn and develop for a period in a non-school environment.

## **EMPLOYMENT INITIATIVES**

In 2017 the employment programme NExTWORK continued to help young people find their way into education or work. The target group of the programme is the 8% of any given youth cohort with significant personal, social or health issues who are in neither education nor employment. NExTWORK is firmly based in a local network of firms that offer internships to young people.

The firms in the network receive support in working with these young people, and share responsibility for helping a group of youngsters to progress towards education or employment. The cooperation between the firms might, for example, involve a young person moving between internships at companies in the network. The aim is that during their internships, the young people should have the opportunity to develop their personal and social skills, build up relationships and networks, and increase their confidence in their own abilities. Both the young people and the firms participate in network groups, and assist one another in finding paths to education and employment.

NExTWORK has been developed in close cooperation with young people, job centres and firms in the Municipality of Roskilde and the City of Copenhagen. The first young people to participate in the project began their programme in Roskilde in January 2017, while the scheme started in Copenhagen in January 2018. Cooperation on a third programme will begin with the Municipality of Sønderborg in the course of 2018. The aim is for NExTWORK places to be offered over the coming years to 120-180 young people receiving social assistance in each of the three municipalities.

## **EDUCATION INITIATIVES**

Only half the students who commence vocational training courses obtain the final qualification in the subject which they began. Because of this, the Interventions Unit has a project aimed at reducing the heavy drop-out rate in vocational training.

The Interventions Unit is currently adapting and trialling five different initiatives designed to increase the number



of students who succeed in completing the introductory phase of vocational training courses, using sources of inspiration that include programmes developed overseas. As always, the projects are being developed in close cooperation with the users, in this case the young people themselves and the educational institutions.

## EXTERNAL EVALUATION

All the work of the Interventions Unit is subjected to external scientific evaluation, typically in the form of a randomised controlled trial. For example, NExTWORK will be evaluated in cooperation with researchers from the UK. The outcomes for the project participants will be compared with those of a control group consisting of young people offered the other schemes and initiatives available through job centres.

*In April 2017, representatives from vocational training schools all over Denmark participated together with the Interventions Unit in a social intervention hackathon aimed at developing new ideas for solving the problem of drop-out from courses.*

The background features a series of horizontal, wavy grey lines that create a sense of depth and movement. A single, prominent orange line with small circular markers at its peaks and troughs runs across the lower half of the image, adding a vibrant contrast to the muted grey tones.

# Den usynlige tråd

Watch the movie on YouTube

Key financial figures are available on the ROCKWOOL Foundation website at  
**[rockwoolfonden.dk](http://rockwoolfonden.dk)**



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