Question no. 1

Interest rates have fallen drastic since the beginning of the economic and financial crisis of 2009.

A zero interest rate regime is certainly realistic, although it is not a reality yet. However, Japan is highlighted as a country with low inflation and low interest rates.

Denmark have in the last 35 years accumulated considerable resources in labor market and occupational pensions that have been heavily affected by the lower interest rate. This has consequences for pension savings, pension funds and for society. Over 80% of all Danes in the labor market are covered in by a funded pension.

For pension savers it could be highlighted that a lower interest rate means lower returns and less benefits. This can either mean that the pension is reduced relative to expectations (this could appear in a formula for an annuity and consistency of 0-interest). The second reaction can be to delay the time of the withdrawal, if possible. Finally, the administrative costs of pension funds in interaction with 0-yield interest in funded types of savings from "cooling off" in favor of other types of savings: for example real estate. Pension companies and savers will finally be attracted to riskier investment projects to force a positive return. This means that pension savings will go from beeing a long-term safe investment project to a speculative project, where there will be considerable uncertainty about the financial outcome for the individual pension saver.

For pension funds consequences will be significant. There will be considerable pressure on pensions costs for marketing management and investment activities, which may put them in discount solutions with simple investment policies and low service level. Many funds still have a significant portfolio of interest-guaranteed products. A zero interest rate regime can put these companies' solvency under pressure, although there is a significant but not sufficient tend to press the guaranteed plans into market-based measures. Pension companies will increase market events, giving savers the chance to choose risk level of investment and thus try to overthrow the uncertainty in the markets of the savers and their retirees. There will also be pressure on cost-saving digital solutions to meet market demands for low costs.

Socially, there will be significant consequences. When interest rates are higher than the economic growth it will naturally be an advantage to save in pension funds and foundations. When growth is higher than real interest rates will eventually be a pressure to improve public pension schemes. At zero growth and a zero real interest rate regime, the pressure on public spending will be stronger, because of lower tax revenues - towards the limits of the expenditure burden. At zero growth, unemployment will probably raise, in an atmosphere of rising labor force (under the impact of the retirement reform), with a double pressure as a result: The elderly must retire later from the labor market, but the jobs are not perhaps there under a zero growth regime. Unemployment is rising and the cost of pensions (early retirement, etc.) is increasing. It is also conceivable that pensions are pulled earlier and will give an interaction problem for the government treasury.

A low interest regime itself may initiate a low growth because a number of unproductive projects in business becomes profitable, thereby productivity in society is lowered and even amplifies the low growth.

Question no. 2

Studies show traditionally that immigration involves increased inequality. While migration typically young men with a relatively high participation rate, demonstrates studies that the overall employment rate for refugees and immigrants is lower than the native Danes. This involves both lower tax revenues, lower production and increased draw on public spending, on welfare, in special with regard to the overseas immigration - composed of unskilled and poorly educated employees - while European immigrations are often better educated with targeted commercial efforts.

The structure of immigration changed with the tightening in early 2000 years in favor of EU countries, but in recent years the refugee crisis resulted in significant overseas migration and it is still less educated workers.

The consequence of the Danish inequality has naturally been that it has affected the GINI quotient negatively. Increased labor has primarily put pressure on wages of unskilled areas. As wages are largely institutional set (via. Bargaining), and far down the road requires compliance with Danish agreements, immigration it has led to increased unemployment.

An additional effect is analyzed in studies demonstrating that unskilled immigration has led to a crowding-out effect of unskilled Danes who through continuing education has moved up in the education pyramid and earned more skilled jobs and higher wages.

In the long term fills immigration, however, a significant need in the Danish labor market for workers in light of the relatively low fertility. While migration involves the own demographics (immigrants hits even the retirement age at a time and dependents), then increased immigration because of its structural composition represent a significant addition to the labor market. However, it is shown that it takes a whole generation before there are stustainability in unskilled immigration (DREAM), and integration seems slow. If immigration structure changes towards EU countries it is more likely to achieve sustainability.