

Country:	Denmark
Member/Company	Confederation of Danish Industry (DI)
Initiative	Multiple Initiatives and Statements

## Overview

### [DI Apprenticeship Community](#)

Denmark's largest community for companies that train apprentices and students.

### [Lack of hands slows growth in 2022](#)

The latest round of questions to DI's Business Panel shows that a shortage of employees will be the biggest growth challenge in 2022. Four out of 10 companies see it as the biggest growth challenge, and up to 60 per cent. expects it to slow growth in 2022.

### [Massive shortage of labor is the biggest growth barrier in 2022](#)

Four out of 10 companies see labor shortages as the biggest growth challenge in 2022. This is shown by a new survey among DI members. As long as the companies do not have enough hands, we as a society will lag behind, says DI's top manager.

The Danish economy is in top shape after a couple of turbulent years during the corona crisis. But unfortunately, there is an imminent risk of a sharp slowdown in the growth train if Danish companies do not have access to skilled labor - now. A new survey in DI's Business Panel shows that four out of 10 companies see labor shortages as the biggest growth challenge in 2022. And up to 60 percent expects that it may slow down growth in 2022. It is a serious societal problem that we are not able to attract labor. This applies to both the private and public sectors.

- Lack of manpower is the biggest and most important economic challenge we face. We all want a strong society in the future, where we can afford, among other things, welfare and green transition. As long as the companies do not have enough hands, we as a society will lag behind, says Lars Sandahl Sørensen, CEO of Danish Industry.

In recent months, unemployment has been largely in free fall. In fact, unemployment has not been so low since the financial crisis in 2008. A recruitment survey from the Danish Agency for Labor Market and Recruitment (STAR) shows that in the last six months there have been 158,000 unsuccessful recruitments. This corresponds to every third advertised position.

- It is very serious that the massive shortage of employees strains the legs of the companies' development, on which we all depend, as they provide necessary goods and services. The companies say that they unfortunately expect that the challenges will last well into 2022. Therefore, urgent and long-term solutions are needed. This is not only a serious problem for companies, but a definite societal problem, says Lars Sandahl Sørensen.

Among other things, the solutions must come from a political team if Denmark is to continue on the growth train.

- The recovery must be lasting and for the benefit of all. The challenge we as a society face is so massive and structural that it cannot be solved with the flick of a finger. Denmark needs an ambitious reform agreement now and here, says Lars Sandahl Sørensen.

Before long, the reform negotiations will start at Christiansborg, and DI's political wish list has better opportunities for international recruitment.

In the short term, the requirement for income in the amount scheme should be reduced from DKK 445,000 to DKK 360,000, which will make it easier for companies to attract skilled labor from abroad, says Lars Sandahl Sørensen.

In September, international labor amounted to 11 percent of all employees. Ten years ago, the share was only 6 percent. Had there been no international employees, the situation in the labor market would have been even more critical.

- We should use the tax and excise instrument wisely to increase the incentive to work, because in addition to attracting the necessary international labor, it is also important to get as many Danes into the labor market as possible. Both older and younger, says Lars Sandahl Sørensen.

### [It is a declaration of bankruptcy if we do not educate enough skilled workers ourselves](#)

#### **Training more skilled workers is part of the solution of obtaining enough labor, says owner of Raaschou Inventar og Raaschou Byg, Mads Raaschou.**

If I could find eight to ten qualified employees here and now, I would hire them right away.

Mads Raaschou, who owns and operates Raaschou Inventar and Raaschou Byg, is in no doubt about what the company's biggest challenge is - namely lack of manpower. Not only does he face that challenge, but he has a contribution to make in slowing down the problem. And it's about taking great responsibility for educating the professionals of the future.

There have always been many apprentices in the company in Skovlunde near Copenhagen. Here, people have been busy after the corona crisis has subsided, and especially business customers have turned up for renovation and interior design of, among other things, shops, hotels and restaurants. Therefore, he looks into an annual growth in the company of 10 - 15 percent, if it succeeds in getting enough competent hands on the team.

- In the 20 years I have run the company, it has always been a part of our DNA to have apprentices. It does not solve the shortage of labor here and now. But it ensures that in the long run we get more skilled craftsmen, because many of those who train with us stay in the company afterwards, he explains.

#### **Many apprentices in turn**

He prefers craftsmen who are trained in Denmark, on the grounds that it ensures an understanding of Danish traditions and quality requirements. Therefore, for many years it has also been an important part of Mads Raaschou's solution to provide space for many apprentices. Typically, there are between 10 and 20 apprentices out of a total of 65 employees. When Mads Raaschou shows around the company, he greets the apprentices who are working on the day's tasks.

That the apprentices in particular have a special place with Mads Raaschou, leaves the owner of the company no doubt. He is himself a trained carpenter and is today deeply committed to strengthening vocational education. Among other things, as a member of the board of NEXT and as chairman of DI Byggeri Hovedstaden.

- We train more apprentices than we can keep. Some must and will naturally move on. And seen from my chair, it is also a gain if I can give an engineer, an architect or a construction manager some craftsmanship understanding in his education, explains Mads Raaschou.

He sees the effort to train carpenters and building craftsmen as an important task for the entire Danish construction sector.

- If we are not able to keep our craft traditions alive, it is a huge declaration of bankruptcy, because a very large part of the values in Denmark are our buildings. And if the standard does not continue to be high, it can get really expensive. We ensure this best if we continue to train craftsmen who have an understanding of building in the Danish climate and at the right quality level, he believes.

#### **Need to do better**

Mads Raaschou is not alone in his interest in having more skilled workers. At national level, it is the Folketing's ambition that 25 per cent of young people apply for a vocational education after primary school. The latest figures from the Ministry of Children and Education show that it is moving forward. In 2021, 2,910 more apprentices than in the previous year were in training in a company.

The increase shows that Danish companies have become better at taking in apprentices. And Mads Raaschou encourages more to follow suit.

- Construction has a tradition of taking relatively many apprentices, and we would like to have the industry with us as well. When the political goal is for everyone to be able to get an internship, we as companies must set the bar a little higher and take joint responsibility for solving that task, he says.

In his own company, the apprenticeship effort is put into a system where the journeymen are aware that it is part of their working day to pass on their professional knowledge to the next generation.

- It is of course important that the journeymen buy into that task. And here it is the director's responsibility to insist that this is how it should be, because it is the director who needs to get more trained employees afterwards, Mads Raaschou points out and continues:

- And once you have put the apprenticeship process in order, it really has to be a bad apprentice before it is not profitable for the company.

### **A lever in green conversion**

In general, he sees several ways to motivate companies to take on apprentices. The most important thing in that process, however, is to use the "carrot instead of the whip":

One possibility is to provide subsidies for apprentice salaries, which has previously created a large intake of apprentices. Another option is to give an annual bonus to companies that take more apprentices than they need, says Mads Raaschou.

At the same time, he sees potential in linking the apprenticeship effort with the green transition. Here, demands for climate-friendly solutions to construction tasks can be combined with the tender winners taking in students.

However, more people must also get an eye for a vocational education, after decades where high school has been given the highest priority. Some disciplines such as chefs and cabinetmakers are popular thanks to TV programs and world-renowned restaurants and design icons such as Arne Jacobsen, Hans J. Wegner and Kaare Klint. It is different with other subjects such as masonry.

And then there is a crucial factor, Mads Raaschou concludes:

- My experience is that parents play a big role. When a decision has to be made at home at the dining table whether Benjamin or Louise should be a craftsman or in high school, it is the mother who decides. If you can convince her that there is great potential in becoming a craftsman, you can seriously push the development. And then a craftsman actually has a really good life income and bids as a taxpayer early in life.