



Denmark: Forecast highlights

Between now and 2025:

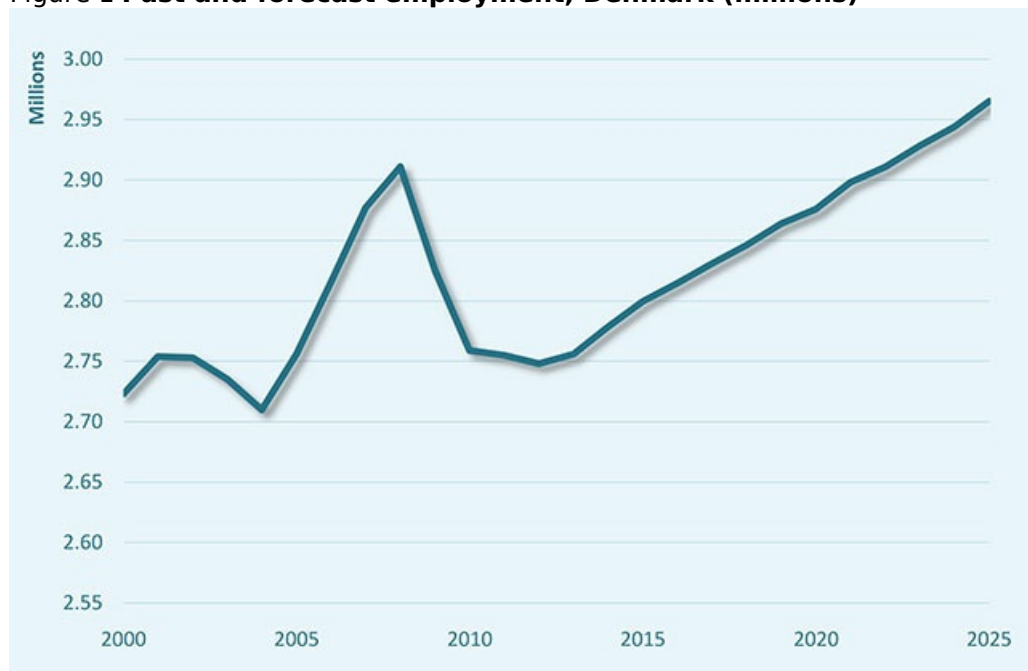
- Employment is forecast to rise, passing its 2008 pre-crisis level by 2021-22 and continue to increase.
- Most employment growth will be in business and other services.
- Most job opportunities, around 34%, will be for professionals.
- Around 49% of the labour force will have high-level qualifications, compared to 38.4% in 2013.

Following the economic crisis in 2008, Denmark experienced a double dip recession. GDP started to recover in 2010, but fell back again in 2011. In 2013, Denmark's unemployment rate was 7%, below the European Union (EU) average of around 11%. The European Commission forecasts GDP growth for Denmark of 1.7% in 2015 and 2% in 2016.

Employment outlook

According to Cedefop's skills supply and demand forecasts ([see scenario assumptions](#)), economic growth is expected to have positive effects on job growth and employment in Denmark is expected to reach its 2008 pre-crisis level in 2021-22 (Figure 1). This is slower than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

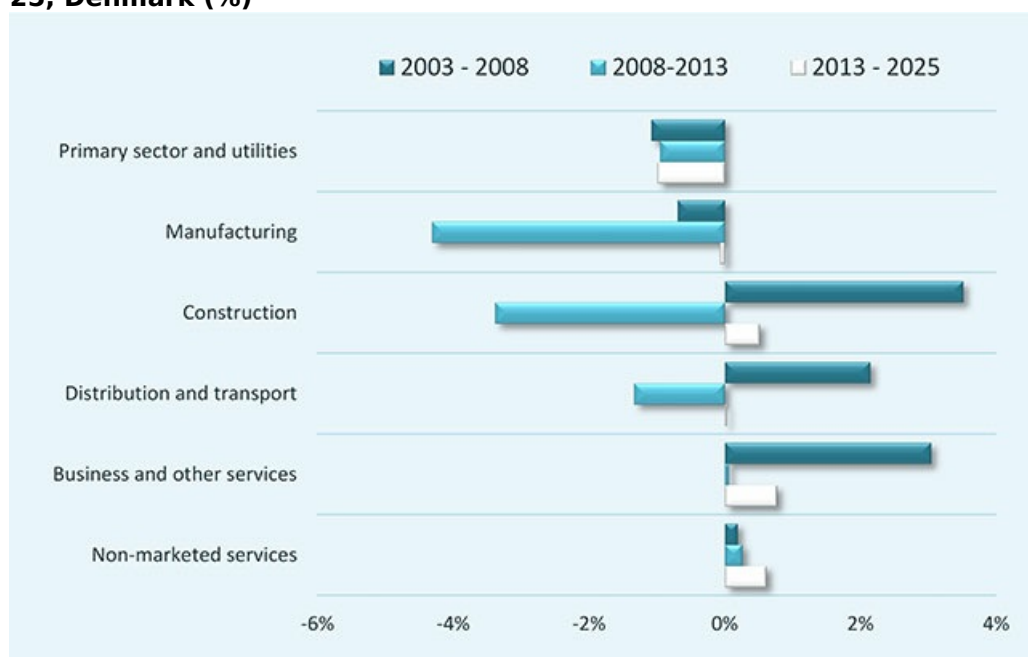
Figure 1 Past and forecast employment, Denmark (millions)



Sector developments

The economic crisis reduced employment mainly in manufacturing, but also in the construction, distribution and transport as well as in primary sectors between 2008 and 2013 (Figure 2). However, employment in business and other services and non-marketed (mainly public sector) services increased over the same period. Most future job growth in Denmark up to 2025 will be construction, business and other services and non-marketed services. Employment in the primary sector will continue to fall, but be broadly stable in manufacturing and the distribution and transport sector.

Figure 2 Employment trends by sector, average annual growth rate, 2003-25, Denmark (%)



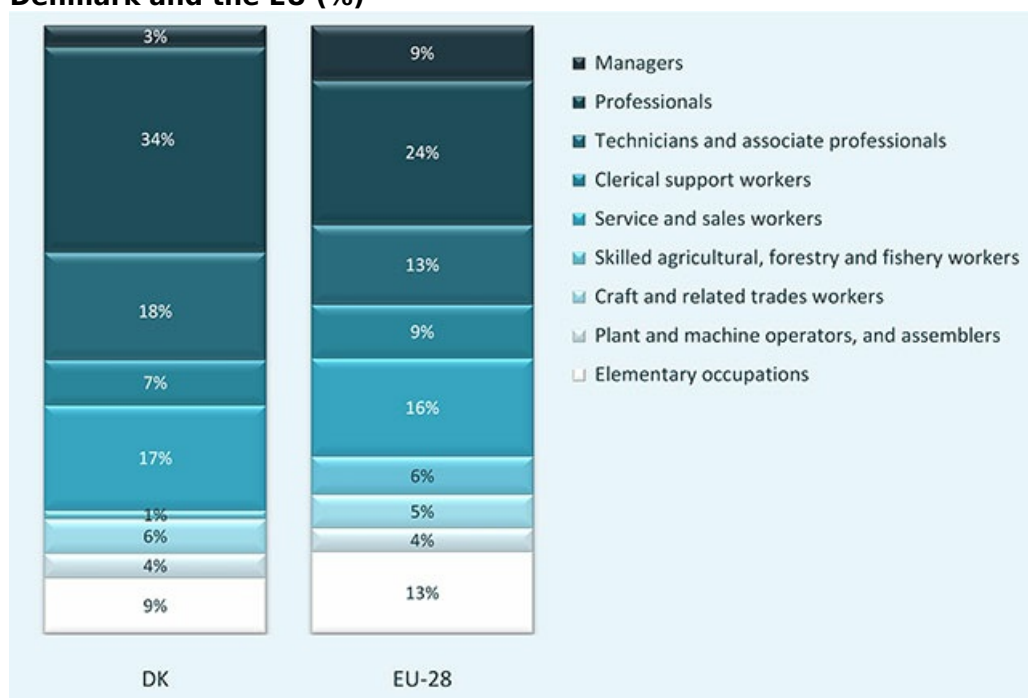
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025. Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Given its ageing labour force and relatively low unemployment rate between now and 2025, replacement demand in Denmark is forecast to provide seven times more job opportunities than expansion demand.

In Denmark, most job opportunities, around 34%, will be for professionals (high level occupations in science, engineering healthcare, business and teaching), followed by around 18% for technicians and associate professionals (occupations applying scientific or artistic concepts, operational methods and regulations in engineering, healthcare, business and the public sector) well above the EU averages of 24% and 13% respectively for these occupational groups (Figure 3).

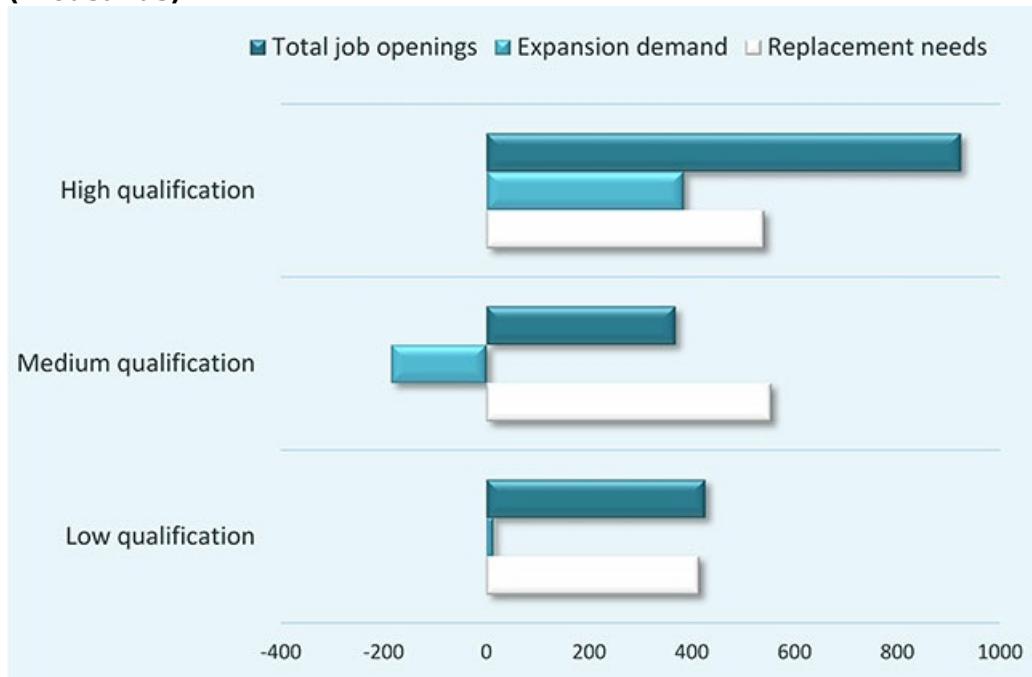
Figure 3 **Distribution of total job opportunities by occupation, 2013-2025, Denmark and the EU (%)**



Source: Cedefop skills forecasts (2015)

Most job opportunities in Denmark will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, due to replacement demand there will also be significant numbers of job opportunities requiring medium- (ISCED 97 levels 3 and 4) and low-level (ISCED 97 levels 1 and 2) qualifications.

Figure 4 **Total job opportunities by qualification, 2013-25, Denmark (thousands)**



Source: Cedefop skills forecasts (2015)

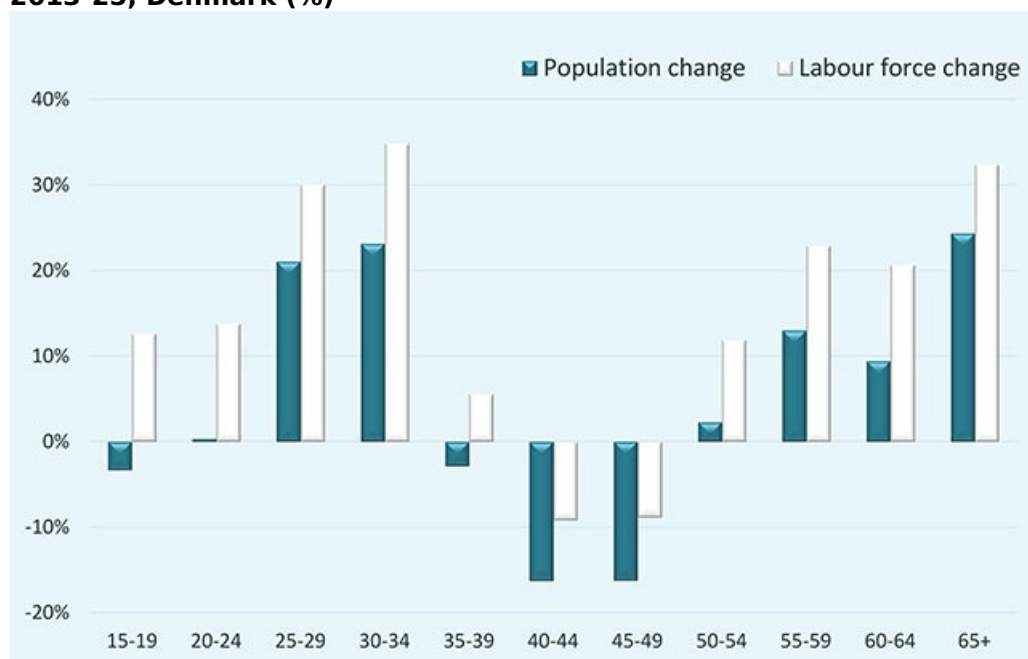
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people over 15 years old), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat’s latest population projection (Europop 2013) for Denmark reflects the current trends in fertility rates and net migration flows. Denmark’s working-age population is forecast to grow by about 7% between now and 2025. Labour market participation in Denmark is also forecast to rise from 62% in 2013 to around 65% in 2025, well above the EU forecast average of 55.5%.

Unlike the EU demographic trend, Denmark’s population is not ageing overall (Figure 5). Although between now and 2025, there will be an increase in numbers of people in the labour force over 50 years old, this is balanced by an increase of people aged between 25 and 34 years of age.

Figure 5 Changes in working-age population and labour force by age, 2013-25, Denmark (%)

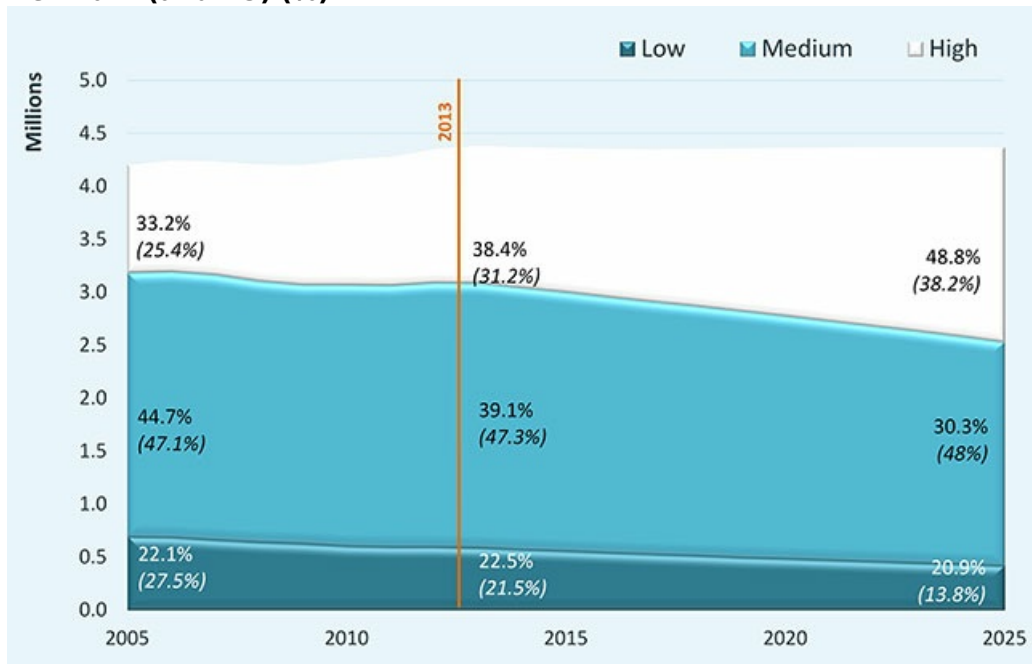


Source: Cedefop skills forecasts (2015)

Denmark’s labour force is becoming more highly qualified (Figure 6). This can be explained by older less qualified people leaving the labour market and young people staying on longer in education and training to improve their job prospects. By 2025, the share of Denmark’s labour force with high-level qualifications is forecast to rise to around 49% compared to more than 38% in 2013 and 33% in 2005. People with medium-level qualifications in 2025 will account for around 30% of the labour force, compared to slightly more than 39% in 2013. The share with low-level or no qualifications is forecast to fall from 22.5% in 2015 to around 21% in 2025.

According to Cedefop’s forecasts, by 2020, around 61% of 30 to 34 year-olds will have high level qualifications, significantly above the EU’s educational attainment benchmark of 40% by 2020. On current trends around 70% of 30 to 34 year olds will have high-level qualifications by 2025.

Figure 6 **Labour supply trends by qualifications, labour force age 15+, Denmark (and EU) (%)**



Source: Cedefop skills forecasts (2015)

In Denmark, in 2013 around 8% of young people left the education and training system with low-level qualifications compared to 11.9% in the EU as a whole. Both Denmark and the EU have a benchmark of no more than 10% of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Hanne Shapiro, director of the Danish Technological Institute** considers the forecasts underlying assumptions and results plausible.*

She adds that cash benefit reform targeting young people not in employment, education or training and reform to early retirement reform are beginning to show positive effects. Reform to ensure university students complete their studies in less time period is contributing to the increase of highly-qualified people. Reform to increase the attractiveness of VET includes a double qualification pathway and qualifications offered at higher levels.

The European commission's macroeconomic forecast is broadly in line with national forecasts.

She also remarked that the decline of the employment in manufacturing between 2008 and 2013 helped increase labour productivity by 30 %. This may explain the large fall in employment during the crisis, but could indicate that Danish manufacturing industry is more efficient. The private sector contains many small- and medium-sized enterprises and it is not known if they will be able to increase their capacity to recruit more university graduates in the coming years. This depends to some extent also on upcoming reforms of higher education.

*Over labour supply data there is uncertainty. There has been a marked drop in young people entering upper-secondary level apprenticeship education. An analysis by the **Arbejderbevægelsens Erhvervsråd** estimates that if the demand for new employees continues the trends over the last 10 years there will be a lack of around 20 000 skilled workers by 2020 – particularly in manufacturing and about 13.000 technicians.*

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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