

Annex 1

## Country Case: Denmark

Annex 1 of the Talent Attraction and Work-related Residence Permit Process  
Models in Comparison Countries -report

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# 1 Introduction

The political prioritisation of international talent attraction and retention as a key issue in Denmark is a relatively new phenomenon. Until 2005, the agenda was dominated by a murky mix of policy agendas where the debate about companies' need for skilled labour was overshadowed by general restrictions in immigration and integration policy and anti-social dumping agendas. However, as the labour shortages started to affect a large share of Danish companies, shifting governments have quickly embraced the new reality and matured and developed the Danish approach. Denmark has introduced tax benefits, new targeted work permit schemes and fast track systems as well as a number of proactive initiatives at both national and regional level to boost talent attraction and retention. In 2019 Copenhagen was ranked second best in the world when it comes to enabling, attracting, growing and retaining talent according to the Global Talent Competitiveness Index.

As a result, Denmark has over the last decade seen a significant growth in the number of international talents living and working in Denmark. In 2019, a total of 122 000 foreign citizens had a work permit and were employed in Denmark compared to only 42 000 back in 2008. The table below illustrates this growth.

**Table 1: total number of foreign students and foreign employees (including researchers) in Denmark**

Type of permit/year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Work permits non-EU	7.396	9.110	10.298	11.842	12.991	14.629	16.056	18.027	19.945	21.555	23.333	25.169
Work permits EU	34.653	34.944	35.684	41.478	47.861	54.752	62.932	71.382	79.175	86.327	93.167	96.875
Study permits non-EU	11.350	10.601	8.690	7.555	7.134	7.019	6.999	7.210	8.060	9.285	10.790	12.417
Study permits EU	4.313	4.530	5.748	6.926	7.938	8.927	10.505	12.474	14.657	16.358	17.494	17.740

Source: STAR – Danish Agency for Labour Market and Recruitment 2020

## 1.1 Structure and main actors in talent attraction

The legislative framework for talent attraction including permits is embedded at the national level. The Danish Agency for International Recruitment and Integration (SIRI) under the Ministry of Immigration and Integration is in charge of all work and study related residence permits.

The proactive work to attract talent at the national level is placed under the Ministry of Employment in The Danish Agency for Labour Market and Recruitment (STAR). They are responsible for Workindenmark, a public employment agency servicing highly qualified international professionals looking for a job in Denmark and Danish companies searching for talented foreign candidates. They offer a range of recruitment services to employers and information and guidance regarding job search and other practical matters to foreign jobseekers moving to or interested in living and working in Denmark. Workindenmark among others, has a comprehensive online guide ([www.workindenmark.dk/](http://www.workindenmark.dk/)) as well as a physical service-centre in each of Denmark's three largest cities – Copenhagen, Aarhus and Odense.

The Ministry of Higher Education and Science is responsible for establishing international cooperation agreements with other countries and universities for the exchange of researchers and students. The ministry does not handle the actual permit and exchange processes, this is a responsibility of SIRI. There are no crosscutting initiatives like the Talent Boost programme in Finland.

While legislation and other framework conditions are mostly managed at the national level, the proactive attraction of talent is mostly embedded at the regional level. Denmark is a small country and Copenhagen remains the only widely internationally known city. Three out of four international talents enter through Copenhagen and most end up living in Greater Copenhagen<sup>1</sup>. However, there are industry clusters in other parts of Denmark that are attractive enough to attract foreign talent, notably the wind cluster in Central Jutland, the offshore cluster in Esbjerg and the robotics cluster in Odense.

Until recently, regional development and industrial development policies and programmes, including talent attraction, were managed at the regional level by each of the five Danish administrative regions. Since 2019, industrial policy (including the implementation of supporting public funds) and the EU's structural funds has been centralised under a national board for business growth. Yet, a number of regional actors

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<sup>1</sup> Copenhagen Capacity 2020.

and so-called business regions (regional IPA and industry policy collaboration platforms for municipalities) continues to work with talent attraction across the country. At the regional level the main actors active in talent attraction are:

- Copenhagen Capacity is the regional investment promotion agency in Copenhagen. They are responsible for international branding and attracting both international companies and talents to Greater Copenhagen. Copenhagen Capacity is a non-profit foundation outside formal political control. However, almost half of the board are politically appointed. Copenhagen Capacity is the only regional initiative with an exclusive focus on international talent.
- The Aarhus Business Region consists of the 12 municipalities around Aarhus. Its Denmark's largest growth area outside the capital area. Business Region Aarhus is led by a political steering group consisting of the 12 mayors of the partnership
- Business Region MidtVest is a collaboration between 7 central and West Jutland municipalities. The goal of the collaboration is to boost growth, create new jobs and attract qualified workers to the area.
- Work Live Stay is an association that aims to help create better growth conditions in Southern Denmark by attracting, receiving, and retaining highly qualified employees from Denmark and abroad. It is a partnership between companies, municipalities and the regional authority in Southern Denmark.

However, in 2019, the change in how business support initiatives are funded in Denmark has led to much closer regional cooperation on talent attraction and introduced new partners in the partnership. More information regarding this is presented below.

## 1.2 Main target groups of talent attraction

With the exception of from a very specific permit scheme for farmers and herdsmen there are no predefined solid target groups mentioned in the permit legislation at the national level. Certain salary thresholds apply to some permit schemes but in general no sectors or skill sets are explicitly mentioned. Instead, the target groups fluctuate depending on the current needs among companies. SIRI maps the most pressing needs of the Danish companies and adapt the permit system accordingly (see more below) through the so-called 'Positive List' that lists professions/functions for which international recruitment can be done. This is done biannually.

The regional initiatives to proactively attract talent does, however, select very specific target groups. The regions outside Denmark will naturally focus on their strongest

economic business clusters, as they offer the necessary career development opportunities to attract international talent as well as need them. As mentioned above, this includes the wind cluster in Central Jutland, the offshore cluster in Esbjerg and the robotics cluster in Odense.

In Copenhagen, Copenhagen Capacity runs campaigns if enough companies join forces to launch a campaign (described further below). Themes have included food, cleantech and logistics as well as both blue- and white-collar workers. However, the strongest need is white-collar specialists within tech.<sup>2</sup>

While attraction of foreign blue-collar workers has recently increased attention in some talent attraction campaigns, the general impression is that focus of most talent attraction campaigns and programs in Denmark is on white-collar specialists. Politically and in the public debate there has been much focus on social dumping in relation to foreign blue-collar workers which has made attraction of blue-collar workers a delicate topic. Yet, the main reason for the lack of campaigns targeting blue collar workers seems to be the fact that during the last ten years Denmark, without having any done major attraction programmes, has experienced a steady influx of both highly-skilled and low-skilled labour from the eastern parts of EU. Of the around 120.000 foreign citizens with a work-based residence permit in Denmark in 2019, a bit more than 96.000 were from other EU countries. Of these, two far biggest groups were Polish with around 19.000 persons and Rumanians with around 18.000 persons. At the same time, sectors with most foreign employees in Denmark are manufacturing, construction, farming, trade and hospitality – all sectors with high demand of blue-collar labour<sup>3</sup>.

Further, the fixed link between Copenhagen and Malmø makes it possible for companies in Copenhagen to recruit both high skilled and low skilled workers from the Malmø-area, where economic growth and the job market has been weaker than in Copenhagen. The daily numbers of Swedes commuting to Denmark in the Øresund Region is around 13.000 – 15.000 where only around 1000 Danes commute to Sweden<sup>4</sup>.

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<sup>2</sup> See <https://www.greatercph.com/campaigns>

<sup>3</sup> Source: [www.jobindsats.dk](http://www.jobindsats.dk) – Danish Agency for Labour Market and Recruitment 2020

<sup>4</sup> Source: <http://www.oresundsinstittet.dk/pendling/>, April 2020

## 1.3 Major legislative changes related to talent attraction

One of the first schemes that was introduced in Denmark to ease the attraction and retention of foreign talents and specialists was a taxation reduction scheme for foreign academic researchers and highly paid employees. The main argument for introducing the tax reduction scheme, was that the high Danish income taxes made it too difficult to perform in the international competition for attracting top researchers and highly paid specialists and managers. The scheme was introduced in 1992 and it has been changed several times since. From 2011 to 2017 employees qualifying for the scheme could get a tax rate at 26% for five years. As of 2018, the rate has been 27% and the duration is eight years.

In 2001, Denmark introduced significant general restrictions to immigration and family reunion policies for citizens from non-EU countries. This made it difficult for companies and universities to recruit talents from outside the EU. To ensure the continued ability to attract specialists and talents from non-EU countries two new talent attraction schemes, the 'Pay Limit Scheme' and the 'Positive List' (both described below) were introduced the following year in 2002. Both schemes have seen minor changes several times since.

The latest major change in Danish talent attraction legislation was made in 2015 where the 'Fast Track Scheme', the 'Establishment Card' for foreign students and the 'Startup Denmark' programme for foreign start-ups and entrepreneurs were introduced. The key aim of the changes was to make it easier and faster to recruit foreign specialists to Denmark as well as to increase the retention of foreign students and integrating them in the Danish labour market after the completion of their degree in Denmark.

When it comes to international students, major changes were made in 2003 and 2011. In 2003, a limit was put on the government grants Danish universities could get for enrolling foreign students. The change came after a (still ongoing) public debate about the fairness of increased expenses for the Danish state caused by foreign students, as well as programmes where the uptake of foreign students resulted in fewer enrolments of Danish students. Since then, universities can only get government grants for foreign students equalling the number of Danish students that go abroad to study. Since 2011, not only payment but also the total number of foreign students that universities can enrol must not exceed the numbers of Danish students they sent abroad to study.

## 1.4 Talent attraction and COVID-19

So far there has been no public political discussion about the talent policy in light of COVID-19. An expansion of the so-called "Positive List" to include blue collar workers from 1 June 2020 but it was later rejected. The hearing on the new proposal to include blue-collar workers has revealed some COVID-19 related disagreements regarding the new law. Labor unions have questioned the sensibility and need for introducing blue collar workers from countries outside the EU during a time where both the Danish and European unemployment is expected to rise significantly as a result of the COVID-19 pandemic. While the current rise in unemployment, approximately 50.000, is not alarming, the number is expected to rise significantly when the public COVID-19 salary support schemes are phased out over the summer.

However, the industry organisations and the Minister for Employment are defending the expansion of the list, arguing that it will only include occupations that are in real shortage in Denmark. Hence, they expect the positive list itself to be shorter as a result of the spikes in unemployment.

Copenhagen Capacity has seen a change in shortage areas as a result of COVID-19. Some sectors suffer, while others – e.g. life science companies – continue to hire from abroad at more or less at the same pace.



## 2 Residence permit models and talent attraction

All residence permits related to work and study in Denmark are processed and granted by the Danish Agency for International Recruitment and Integration (SIRI) under the Ministry of Immigration and Integration. Applications can be done both digitally (at [www.nyidanmark.dk](http://www.nyidanmark.dk)) or in writing. SIRI recommends that all applicants use the digital application portal since this usually speeds up processing time. Processing times for work and residence permits can take up to three months. According to the web portal 'New to Denmark' ([nyidanmark.dk](http://nyidanmark.dk)), ran by SIRI, the normal processing time is around one month for most of the schemes. One month is also SIRI's service goal for processing time. Previously the counting was started from the day all info was correctly submitted but now it starts from the moment the applicant submits the application, including the payment of the processing fee.

In general, the employee and employer are jointly responsible when applying for residence and work permits to Denmark. The only exception is the fast track scheme, where it is the employer's responsibility to complete the application.

### 2.1 Work-related residence permit schemes

When it comes to work permit for non-researchers from third countries, there are in total seven basic schemes for different job positions, level of education and skills. Labour market test is not needed and therefore employers' do not need to scan for candidates in Denmark or EU/EEA-area before using the schemes.

#### Pay Limit Scheme

Via the Pay Limit Scheme employees that are guaranteed a minimum yearly salary of DKK 436 000 (EUR 58 000) can get a work permit no matter what their level of education is, whether they have work experience and what the offered job position is. The threshold amount is adjusted annually (1 of January) along with the general salary development in the Danish labour market. Salary, up to and including the Pay Limit Scheme's minimum amount, must be paid to a Danish bank account in a bank operating legally in Denmark. In the application form, the employer must declare that this requirement will be met. In addition, the applicants' salary and terms of employment

must correspond to the Danish standards. This means that salary, holiday entitlements, terms of notice etc. must not be inferior to the standards within the professional field the applicant will be employed in.

## Positive list

The Positive List is a list of professions experiencing a shortage of qualified professionals in Denmark. In order to be included to the Positive List, a profession needs to be tied with a formal education. Requirements to type and level of listed educations are mentioned – along with the associated code within the official international classification of professions – DISCO-08. An additional requirement is that the applicants' salary and terms of employment correspond to Danish standards. In principle the positive list can include all types of professions that require formal education – skilled, lower or higher education. As of March 2020, none of the professions on the current positive list have less than a Bachelor's degree as requirement. An expansion of the positive list was planned in 2019 amendments to the Danish Aliens Act but was rejected. The Positive List is published by SIRI twice a year – in January and in July. It is based on the national 'Labour Market Balance' ([www.arbejdsmarkedsbalancen.dk/](http://www.arbejdsmarkedsbalancen.dk/)) which includes register based regional level data on employment and unemployment and a national survey on recruitment challenges faced by companies and organisations. The Labour Market Balance is prepared by the Danish Agency for Labour and Recruitment and its quality assured by the Danish regional labour councils where social partners are represented.

## Special Individual Qualifications

If an employee has been offered a highly specialised job position that only the employee or a very limited number of people are qualified to carry out, one can apply for a residence and work permit based on these special individual qualifications. This scheme targets performers or artists (including singers, musicians and conductors), professional athletes or coaches, and specialised chefs but it can also be used in other specialised job positions.

## Herdsmen and Farm Managers

This scheme can only be used by applicants with an employment contract or a job offer to work as a herdsman or farm manager in agriculture (i.e. positions in mink farms, horticulture or forestry is not included). The applicant's salary and terms of employment must correspond to Danish standards. This means that the salary, holiday entitlements and terms of notice etc. must not be inferior to the standards within the pro-

professional field in which you are going to work. When applying, the applicant must attach a copy of the employment contract or job offer. All terms of employment must be stated in the contract or the job offer. In the agricultural sector, indicative wage levels exist for herdsmen and farm managers. Wage levels are determined on the basis of registrations from the Regional Labour Market Councils (RAR) and are based on the increase in salary stipulated in the collective agreement for skilled agricultural workers. Usually, SIRI will ask the Regional Labor Market Councils for an assessment of the application, if stipulations other than salary in the employment contract indicate that SIRI needs the Councils' assessment on whether the terms of employment correspond to Danish standards.

## Trainee

If one has been offered employment at a company in Denmark for shorter period of time with education or training as a trainee, this is the scheme to be used. In order to be granted a residence permit as a trainee, there must be a verified strategic cooperation or a partnership between a foreign company or organisation and the Danish employer. Labour market and educational considerations must warrant the applicant's employment as a traineeship. This will often be the case in the following situations:

- The applicant is employed in the parent, sister or subsidiary company of an international group and will be in Denmark temporarily to improve their skills at a Danish parent, sister or subsidiary company. Afterwards, the applicant returns to their job abroad.
- A Danish company, wishing to establish a subsidiary company abroad, wants to train the applicant in Danish production, management etc. for the purpose of subsequently employing the applicant at the subsidiary company abroad.
- A Danish company has an established clientele in the applicant's home country and wishes to employ the applicant to look after their interests. Thus, firstly the applicant must be trained in Danish production and management in Denmark.

## Employment for adaptation and training purposes with the purpose of obtaining authorization as a doctor or dentist

If an applicant holds a residence permit with the purpose of obtaining authorisation as a doctor or a dentist, the applicant must learn Danish and pass the tests required to obtain a Danish authorisation. Moreover, the applicant must also complete an employment for adaptation and training purposes (in Danish 'evalueringsansættelse'). However, the residence permit with the purpose of obtaining a Danish authorisation as a doctor or a dentist does not allow the applicant to work. Therefore, the applicant must

apply for a work permit in order to be allowed to be employed for adaption and training purposes (evalueringsansættelse).

Finally, **entrepreneurs planning to set-up a business in Denmark** can obtain a work and residence permit through the Startup Denmark programme. The scheme gives the opportunity to be granted a Danish residence permit in order to establish and run an innovative growth company. The business idea and business plan must be approved by a panel of experts appointed by the Danish Business Authority before SIRI will process the application for a residence and work permit. The scheme can be used by both individuals and teams of up to three people who plan to start a business together in Denmark through a joined business plan.

In general Denmark has seen a steady increase in non-EU citizens given residence and work permits in Denmark in recent years. The two most popular schemes are the Pay Limit Scheme and Fast-Track. Especially the use of the Fast-Track scheme has seen high growth since it was introduced in 2015.

**Table 2: Number of permits granted within the main Danish work permit schemes (non-EU citizens)**

Scheme/year	2016	2017	2018	2019
Pay Limit Scheme	3.118	2.586	2.571	2.417
Positive List	145	243	412	414
Fast-Track	1.735	2.249	2.783	3.313
Herdsmen and Farm Managers	860	861	899	1.142
Researchers (incl. teachers)	512	558	529	395
Establishment Card	334	422	406	493
Start-Up Denmark	33	22	44	47
Others	519	445	575	557

Source: Danish Ministry of Immigration and Integration 2019

In 2019, the five main nationalities getting work permits through the Fast-Track Scheme, Pay Limit Scheme, the Positive List and the researcher and PhD schemes were Indians (2524), Chinese (840), Americans (625), Iranians (195) and Brazilians (191)<sup>5</sup>.

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<sup>5</sup> Source: Tal på udlændingeområdet pr. 31.12.2019, Danish Ministry of Immigration and Integration 2019

## 2.2 Students and Researchers

**Students in higher education:** Persons that have been admitted to a higher educational programme in Denmark can be granted a permit to stay and study in Denmark. The permits include persons who will complete a full educational programme or do part of their higher education as a guest or exchange student. The applicant can also be granted a residence permit to complete a preparatory course for a higher educational programme. The educational institution must be publicly accredited and the educational programme must be full time and approved by a state authority or by the Danish Evaluation Institute, EVA. The applicant must be able to understand either Danish, Swedish, Norwegian, English or German with a reasonable level of proficiency. Permits are granted for the standard duration time of the educational programme with the possibility to apply for one-year extension. Furthermore, the applicant must have sufficient funds to be able to support themselves during their stay in Denmark. They need to document that they have an available amount corresponding to DKK 6,243 (EUR 836) per month (2020 level) during the entire duration of their stay. If the applicant has to pay a tuition fee for studying in the educational programme and if this has already been paid, this is seen as documentation for sufficient funds. In this case the applicant does not need to provide additional documentation.

**Basic and youth study programmes:** Persons being enrolled in an approved basic or youth study programme in Denmark can apply for a residence permit. The general conditions and requirements are the same as for applicants in higher education. In case that the applicant has not yet turned 18, the applicant's parents must sign a declaration of consent to allow the applicant to study in Denmark. The school must also declare that it will ensure that the applicant will have proper residence and study conditions in Denmark. Furthermore, there are additional requirements for residence permits related to trade school and high school programmes:

- **For high school programmes,** the stay must be arranged by a student exchange organisation. Also, the applicant should either have started a high school programme in the home country and wish to complete one year of their education in Denmark, or wish to start a high school programme in Denmark and provide documentation that shows that the applicant will continue the programme in the home country.
- **For trade school programmes,** the educational stay must be part of an international collaboration or exchange agreement.

**For researchers and PhD students** offered paid employment at a Danish university there are separate schemes. To be able to obtain a permit as a researcher or a PhD, there must be particular research related reasons for offering the position to the specific applicant. This means that the job must be closely linked to the applicant as an

individual and that the main purpose of the stay is research. Guest researchers or teachers staying no longer than three months in Denmark do not need a work permit. PhDs that are not employed but enrolled as students (i.e. receive no salary from the university) must further prove that they will have sufficient funds to be able support themselves during their stay in Denmark. Sufficient funds correspond to approximately DKK 6.200 (830 EUR) (2020 level) for each month.

**The establishment card** is a permit for international students completing a Master's degree or a PhD in a Danish university. They can apply for six-month 'job-applying visa' after finishing their university degree. The applicants must document that they have sufficient funds to support themselves during their stay.

## 2.3 Application forms and fees

The application form for applying through the Positive List, the Fast Track Scheme, the Paylimit scheme, as a researcher, as an individual with individual qualifications, as trainee or as a herdsman/farm manager is identical for each type of applicant and scheme. The form has two versions: one where the employer and applicant jointly fills out the application (Called AR1) and one where the applicant gives the employer power of attorney to apply on his/her behalf (AR6). Employed PhDs must use another application form, as do startups applying through the startup Denmark programme.

There are different fees associated with different application processes. The fee for applying through the Positive List, the Fast Track scheme, the Paylimit scheme, as researcher, as an individual with individual qualifications, as a trainee or as herdsman/farm managers is 3.215 DKK (approximately 430 EUR) (June 2020). The fee for employed PhDs and startups is 1.900 DKK (approximately 255 EUR). If the applicant applies from abroad and must have their biometric features recorded and maybe submit documentation, they must pay a fee to the embassy or consulate of an additional 1.455 DKK (approximately 195 EUR).

As of 1 July 2019, the payment must be made online and it generates a case-ID, which is needed to proceed in the application process (i.e. submitting the application).

The online application form forces the applicant to fill out all required fields before submitting the application. The application can, however, be submitted with insufficient information, if, for example, the applicants uploads wrong documents. In that case, SIRI will contact the applicant for more information. Applicants have 30 days to submit the missing documents, otherwise the application may be rejected.

Paper applications can only be handed in if all formal documents and information is in place. If SIRI (when applying from Denmark) or the consulate needs further information after reviewing the application, they will contact the applicant. The service goals of maximum processing times only apply to complete applications, though the 30 days include some buffer time for dialogue with the applicant.<sup>6</sup>

Applications can be submitted in paper and electronically with the exception of Fast Track scheme where only digital applications are permitted. About 90% of the applications are digital. Applications that are submitted in paper at the consulates are scanned and sent digitally to SIRI for digital processing.

The Ministry is pushing for an agenda to get more applications in digital form using both stick and carrot incentives. The “stick” incentives include the fact that many application forms are now only available digitally. This does not yet apply to work related visas but as of 2019 89 other types of application processes. This shift is expected to continue and include work related visas soon.

The Ministry has also made it clear that the responsibility for a correct application rests with the applicant and that an application may be rejected if all required information is not submitted within 30 days. The rather high processing fee itself also ensures that applicants are eager to submit the correct information in order to avoid risking a rejection.

The more positive incentives include the fact that the Ministry has systematically build up a more user-friendly application process to minimize errors. They have systematically gathered questions and other information from the call-centers and used it to explain the process further on the website.<sup>7</sup>

## 2.4 Certified employer model

From 1 April 2015, it became possible to apply for Danish residence and work permits under a fast-track scheme, which allows a quicker and foreign employees to start work faster and more flexibly. Under the Fast-track scheme, Danish companies and universities can be certified to bring foreign employees to Denmark on short notice without having to wait for their applications to be processed by the Danish authorities first. If the conditions of the scheme are met, foreign employees can start working in

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<sup>6</sup> Interview with SIRI

<sup>7</sup> Interview with SIRI

Denmark immediately after having submitted their application for a residence and work permit.

Amendments were introduced to the scheme in 2019. Among other minor changes<sup>8</sup>, it is now possible to change job positions internally within the same company without having to apply for a new permit. In addition, the weekly working hours requirement in pay limit scheme was lowered from 37 to 30 hours, though the same gross salary threshold (436,000 DKK in 2020) was still upheld despite the suggestion of making this more flexible and dependent on the country of origin.

### 2.4.1 Certification of companies

In the fast-track scheme, it is the employer that applies for a work and residence permit on behalf of the employee. Only companies and universities certified by SIRI can apply through the scheme. In order to obtain the certification companies must comply with the following:

- the company must have at least 20 full time employees;
- the terms of employment correspond to danish standards;
- the company must not be in a legal labour conflict;
- the company shall not have a low grade (a red smiley) in the working condition assessment from the Danish Working Environment Authority;
- the company must not have been punished or fined under the Danish Aliens Consolidation act within the last two years;
- the company must have participated in counselling meeting at SIRI; and
- the company must have paid the certification fee of 400 EUR

Certified companies are publicly listed. By mid-March 2020, 361 companies (including universities) were certified for the fast-track scheme. For any breaches or fraud concerning the use of the certification and the fast-track scheme SIRI can quarantine companies from renewing their certification up to two years.

### 2.4.2 Evaluation of the certified employer model

In 2017, an external evaluation of Denmark's main work permit schemes, including the fast track scheme, for foreign labour was carried out<sup>9</sup>. In general, companies find the scheme useful and argued that that it does give a faster and more simple job start for foreign employees in Denmark. The use of the scheme has also increased steadily

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<sup>8</sup> For more information about the changes, see for example <https://www.pwc.dk/da/artikler/2019/06/new-regulations-of-the-danish-aliens-act-take-effect-from-1-june-2019.html>.

<sup>9</sup> Evaluering af international arbejdskraft, DAMVAD Analytics 2017.



since its introduction and, in 2019, most residence and work permits for non-EU citizens into Denmark were granted via the scheme.

However, the evaluation also pointed out some challenges:

- The requirement of a minimum 20 full-time employees is considered high by some stakeholders within the Danish business community. This was the case especially within the digital and creative sectors, where there are many smaller companies that are very much dependent on access to workforce with a specific skills-set that is difficult to find from Denmark.
- The long processing time to get a CPR number (social security number): while the fast track, in principle, does allow for a fast job start, this is often not practically possible due to the long processing time to get a CPR number. In Denmark, CPR number is needed to get a Danish bank account and in order to be included in public Danish healthcare system. Since it can take up to 6 weeks to get a CPR number, and the applicant must be present in Denmark to initiate the process, it can be difficult for companies to pay the first month's salary. In addition, employees or the companies have to consider paying for a private health insurance as well.

## 2.5 Application process of the certified employer scheme

To use the fast-track scheme the employee must apply in one of the four tracks in it<sup>10</sup>:

- The pay limit track
- The researcher track
- The educational track
- The short term track

In Denmark, the employer is responsible for completing the application process. In order to do this, the employer needs a power of attorney from the employee. Applications for the fast-track scheme can only be done online at [www.nyidanmark.dk](http://www.nyidanmark.dk).

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<sup>10</sup> For full details see: <https://nyidanmark.dk/en-GB/You-want-to-apply/Work/Fast-track>.

The average processing time for the certified employer/fast track scheme (starting from the moment the applicant uploads the completed application, including documentation and paying of the processing fee, to the final permit is issued) is one month. Hence, on average, total processing time is not shorter than for other Danish work permit schemes. However, the advantage of the certified employer scheme is that the employee can enter Denmark and start working as soon as the application has been submitted and SIRI has been notified. However, in case the employee does not hold a valid D-Visa to enter Denmark, this must be obtained first. This takes typically taking approximately 15 days (for more information see the following description of the application process). For some employers and employees, the scheme is also seen as advantageous due to the fact that it is the employer that has to fill in the application form. Many companies, especially larger companies, submit many applications and have therefore built up experience and competencies in doing correctly. This minimises the risk of missing documentation or erroneously filled forms and therefore also lowers the risk of a prolonged processing time.

Below we describe the **Fast-Track application** process step-by-step. This process is also illustrated in the figure below.

1. Creating a Case Order ID on [www.nyidanmark.dk](http://www.nyidanmark.dk): this is done by typing in name, surname and passport number of the employee and paying the processing fee (400 EUR).
2. Uploading key documents
  - documentation of the payment of the fee;
  - copies of all pages of the applicant's passport – including all empty pages and the passport's front and back cover;
  - power of attorney from the applicant;
  - the employment contract or job offer which contains information about your salary and terms of employment and a job description (the offer or contract cannot not be more than 30 days old); and
  - documentation of educational background.

If applying online, the original documentation is not required except the passport which has to be presented when recording biometrics.

3. Filling in detailed information regarding the job position, employment conditions and the employer. To access and complete the application form the employer needs a NemID (common national electronic ID for companies to access banking, insurance, and public services in Denmark).
4. The recording of biometrics: When applying for a residence permit, the applicant must have his or her biometric features recorded. This means

that the applicant must have a facial photo taken and his or her fingerprints recorded. Under normal circumstances, the applicant is not interviewed. The facial photo and fingerprints will be stored on a microchip embedded in the residence card, which will be issued to the applicant if he or she is granted a permit. SIRI can only begin processing the application after biometrics have been recorded by the applicant. This must happen no later than 14 days after the submission date of the application. Biometric features can be recorded at:

- a Danish diplomatic mission abroad;
- at a local Danish police station with facilities for recording biometrics; or
- in SIRI's Citizen Centre – remember to book an appointment.

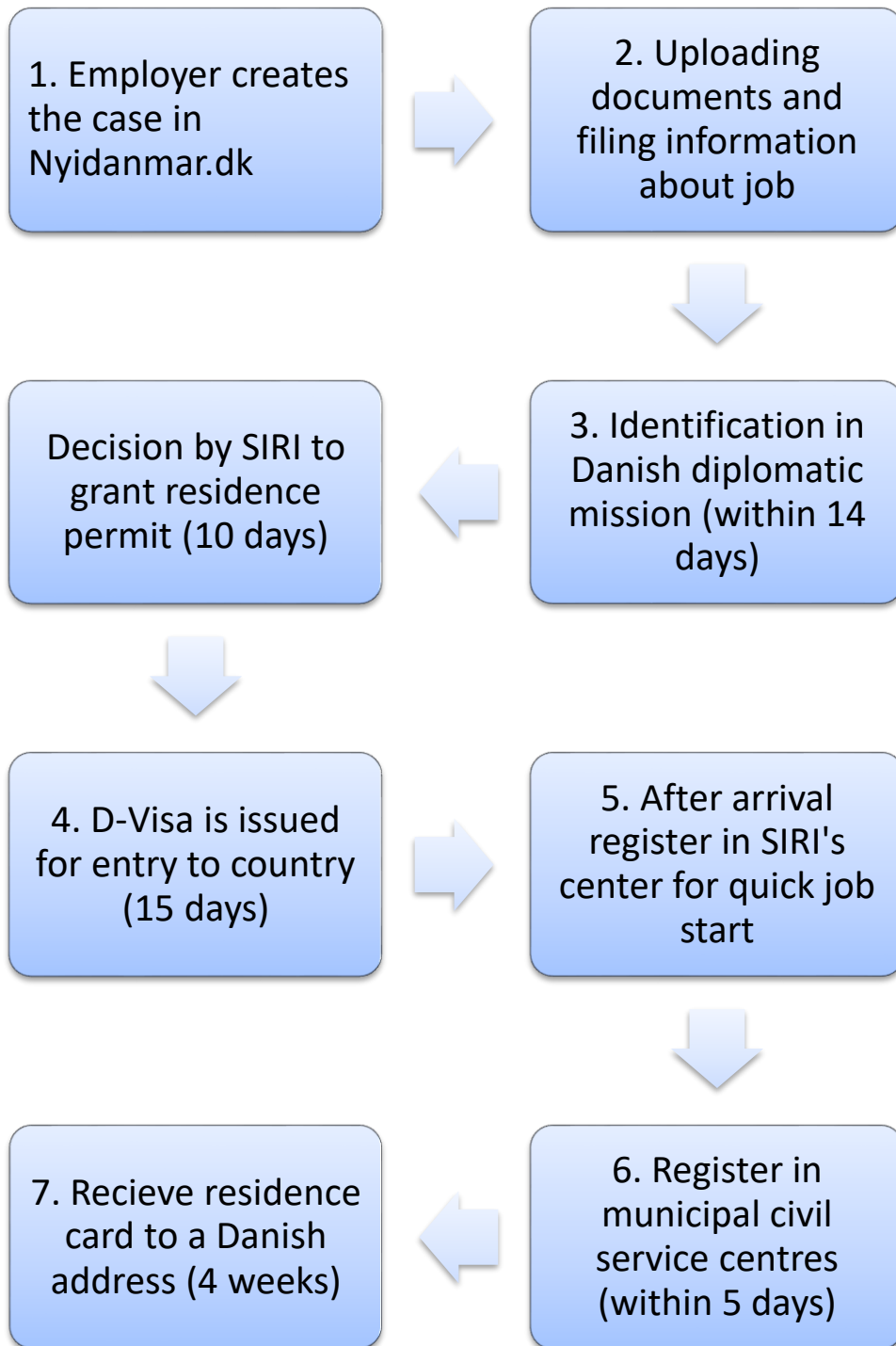
Denmark has diplomatic representations in around 100 countries. In case Denmark does not have a diplomatic mission or an application center in the applicant's country or residence, the applicant can use the closest Norwegian that has an agreement with Denmark or to the nearest Danish diplomatic mission or application center in the region. If the applicant resides in a country where he or she is referred to a Norwegian diplomatic mission, he or she must submit one passport photo. If he or she is granted a residence permit based on the application, the applicant must have his or her biometric features recorded within a specific time frame after entry to Denmark.

5. After having received all required information and after the applicant has been granted a residence permit, a D-Visa will be attached to the applicant's passport. This is handled by the relevant Danish diplomatic representation. The passport with the visa-sticker will be sent to the applicant's home address or can be picked up at the Danish representation. The D-Visa process normally takes 15 days.
6. The D-Visa will allow the applicant to travel to Denmark within a prescribed time frame. In Denmark, the applicant has to register and identify themselves with the local authorities (municipal civil service centres) within five days in order to receive a CPR-number and be covered by the Danish social security system. To get a CPR-number, the applicant will need to have a registered address in Denmark. The applicant will then automatically receive the residence permit (in form of a plastic card) by mail within approximately four weeks (sent to the applicants address in Denmark). According to the Danish MFA, this procedure is in accordance with most recent EU regulation.
7. Quick job start: if a quick job start is needed and the applicant is already holding a valid visa or does not need a visa, the applicant can appear in one of SIRI's Citizen Centre in Denmark and ask for a temporary work-permit in order to begin work immediately even though the final work and residence permit card has not yet been issued. At the meeting SIRI will perform a number of checks, including an identity check, whether the

applicant has been registered as unwanted in the Schengen area and whether the employer is a certified company or not. If the application has been submitted, and the applicant needs a visa in order to travel legally to Denmark, the employer must send an email and inform SIRI that they need quick job start. In the email the employer must state the case order ID used in the application and the reference number stated in the receipt. If the employer has asked for a quick job start from abroad, SIRI will typically make a decision within 10 days from the moment they receive the application, including biometrics and the processing fee. Again, when entering Denmark, the applicant will have to register in one of SIRI's Citizen Centre to get the temporary work-permit.

A permit granted under the fast-track scheme lasts for up to four years, depending on the employment contract governing the employee's stay in Denmark.

Figure 1: Application process for non-EEA worker who needs a visa to enter Denmark in certified employer scheme



## 2.5.1 Family members in certified employer scheme

Close family members are eligible for a residence permit once the sponsor, who is in Denmark to work, is approved through the certified employer scheme. There are a few generic requirements, which the applicant must be able to document:

- The family members must be a spouse, civil partner, cohabiting partner, or a child under the age of 18. Parents and children over 18 can under special circumstances also get residence permit.
- The family must live together at the same address.
- The sponsor must be able to support the family member and they are hence not allowed to receive any benefits under the terms of the Active Social Policy Act, e.g. social security benefits. No documentation of the ability to support oneself is required if the sponsor holds a residence and work permit based on a paid employment.

The application process is separate from the certified employer scheme and must be started after the sponsor gets the residence permit. The duration of the permit is linked to the length of the sponsors employment contract and must be extended if the sponsor's employment is extended.

Holding a permit as an accompanying family member to an employee grants the right to work in Denmark. There is no need to apply for a separate work permit if the family member gets a job. They are also allowed to run their own business and follow a programme in an educational institution.

## 2.6 Identified bottlenecks in the permit process and possible solutions

According to SIRI, a number of smaller bottlenecks have delayed the process in the past, especially incomplete applications. By analysing the user calls to the help desk, SIRI has made sure to update the info on the website with the most common questions and made the process guided and clear in order to avoid errors.

SIRI also mentions the clear signal to applicants that the responsibility for submitting the right information rests on them and that the application may be rejected if the info is not available within 30 days. Another concrete example mentioned is that the Danish Consulates make and send a digital version of any physical applications they receive. This speeds up the transit process of applications.

Finally, the fee must be paid before submitting the application. This gives applicants and their employers a direct incentive to send in the right information quickly to not risk wasting the fee on a rejected application.

## 3 Special focus areas in Denmark

In Denmark, we chose to investigate four initiatives in more detail: tax reduction scheme for researchers, highly digitalised talent attraction efforts of Copenhagen Capacity, how the Denmark is engaging Danish expats abroad and how the talent attraction administration is shifting from regional to national.

### 3.1 Tax scheme for researchers and highly paid employees

Since 1992, a tax reduction scheme for foreign researchers has been a central part of the Danish talent attraction policy for both EU and non-EU citizens. In 2017, 2.753 academic researchers and 4.146 so called highly paid employees were on the tax reduction scheme. The use of the scheme has seen a steady increase since 2001 when only 647 researchers and 1.550 highly paid employees used the scheme<sup>11</sup>. To qualify for the scheme, the following rules apply:

- For researchers there should be clear academic reasons for the employment and the researcher should have at least a PhD degree.
- For non-research employees, monthly gross salary should be at least 8.700 EUR.
- The employee must have been liable to tax payments in Denmark during the past 10 years.
- The person must have been part of the management of the company or in any ways have had control of the company during the past five years.

When using the scheme, one cannot get other deductions in taxation payments, which normally applies to a number of expenses in Denmark (i.e. expenses related to real estate/housing loans, national unemployment insurance scheme, union membership fees and the like)

So far, a majority of the people using the scheme are researchers and specialists from other EU countries. The scheme has been criticised for mainly being used by football clubs to attract foreign top players. However, only 189 of the persons using the scheme in 2017 worked within culture and sports.

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<sup>11</sup> Source: Bruttonskatteordningen for forskere og nøglemedarbejdere – fakta og statistik, Danish Ministry of Taxation, March 2020.



## 3.2 Talent attraction through state-of-the-art digitalization

For several years, digital place branding and marketing has been a preferred way for many cities and countries to attract international talent. The rationale is that if a location is well known internationally and top-of-mind with the potential applicants, they will automatically start looking for job opportunities. In that regard, place branding and talent attraction has traditionally been perceived as basically the same thing.

While the logic is certainly still true, the place-based branding approach suffers from certain challenges:

- It is very expensive to change the perception of a target group towards a certain location through paid marketing. Unless the location is willing to pour millions of euros into changing or building perception, it is a lengthy and often very expensive exercise.
- It is almost impossible to track success. Even if a location succeeds in attracting more international talent, it is almost impossible to know why since it is often unclear whether the effect is connected to place branding campaign or some other factors.

To solve these issues Copenhagen Capacity – the inward investment and talent attraction agency of Copenhagen – has built a fully digital talent attraction platform, that solves many of the traditional issues with place branding. The platform is essentially a hybrid between traditional place branding campaigns and modern digital tools for the marketing of fast-moving consumer goods. So far, it has proved highly effective in the hunt for international specialists.

### 3.2.1 The platform

The platform is essentially an off-the-shelf digital marketing platform used by most larger product brands. It allows the marketer to track the behavior of a visitor across platforms and to collect data on how the user interacts with the campaign. A travel agency can, for instance, track if a user visits a certain amount of websites about Germany and can then start pushing holiday offers to the user based on that information.

The software can build anonymous profiles of each user that can then be used for re-targeting (i.e. to nudge the user to take certain actions). Once the software starts to know a user's behavior, it can use that information to give the user a tailored piece of information that – all else being equal – is more relevant to the user.

The software automates the collection of data about user interest and can hence solve the otherwise difficult and resource draining task of individualising messages at a very large scale.

The off the shelf version of the software is tailored to fast moving consumer goods like shoes, travels etc. Copenhagen Capacity has hence spent four years to tweak the software to be effective for talent attraction which is a longer term decision than buying a pair of sneakers and hence requires a longer digital dialogue with the “client” than for most other products.

The platform itself is only the backend of the system that allows Copenhagen Capacity to individually address a large number of potential job seekers. In order for the potential candidates to actually see info about Copenhagen, active campaigns must be developed on top of the software.

Copenhagen Capacity's campaigns are meticulously targeted and they have two layers:

- A layer with general information about Copenhagen that is used across all campaigns. For Copenhagen. this base story builds on happiness, innovation, agility and other elements that Copenhagen is already known for and CopCap wishes to stress further internationally.
- A layer with very specific information about the relevant sector in the context of Copenhagen that is only relevant to the very specific target group (i.e. job seekers) that each campaign addresses.

### 3.2.2 Content of the campaigns

Each campaign is specifically tailored for a specific talent need of different subsectors. This need usually translates into a few types of professionals or job titles that the specific companies need. An example could be a tech campaign that targets AI and neural network programmers who are very hard to find in Denmark.

Since the expected output of the campaign – applicants for open job positions – is company level, companies are always involved in the campaigns. Participating companies are usually in competition with each other and the concept of working together around attracting talent is in many ways new to them. Many large companies have large HR departments and in many cases the need to participate in attracting talent from abroad together with a competitor is questioned.

However, cooperation has one key advantage over launching individual campaigns for each company. For instance, it is a huge step for an AI programmer from Brazil to

move to Denmark. Her husband needs to find a job, her children must change school, they leave their friends behind etc. More than a job opportunity is often needed in order to take that step, especially because attractive talent is rarely unemployed in the country of residence. The programmer needs to be convinced that there is an internationally competitive job market that allows her to advance her career within, for instance, a ten-year horizon. Such a long-term storyline is difficult for any individual company to promote – it is difficult for them to say that in case the international talent wants to change jobs, the competitors have great job-opportunities.

Yet, by joining forces, the entire industry can legitimately promote themselves as part of a cluster: we are a cluster of 100 internationally leading AI-companies in Copenhagen. There are 15 of us in this campaign and we have a need for 60 specialists with specific competencies. Are you one of them?

This makes the campaigns a mixture of sector specific place-based branding combined with concrete value propositions (the open jobs). That mix has proved very successful in attracting high level specialists to Copenhagen.

Using the platform has one further advantage: there is an unbroken digital link between the branding elements of the campaign and the signing of the final job contract. Therefore, it is relatively easy to track which parts of the branding are effective in attracting talent and which are not. By evaluating each campaign, Copenhagen Capacity has collected valuable information on which channels are most effective and can hence launch new campaigns at much lower cost.

### **3.3 Harnessing the power of the Danish diaspora**

Tech talent is in short supply among Danish companies and a key target group of international talent attraction campaigns. Therefore, Copenhagen Capacity in cooperation with a number of companies organised a larger campaign (similar to those described above) in 2019 that focused on tech talent.

In parallel, Copenhagen Capacity has worked to build up a Danish diaspora initiative to harness the resources of the Danish diaspora. The focus of the initiative has been to work together with the diaspora to help Danish companies and the Danish society more generally to prosper. In total 80% of the Danish diaspora has expressed their willingness to help Danish companies and organisations if they are given the right

tools and channels to do so. A preliminary study showed that talent attraction was among the top three issues that the diaspora would be most suited to help with.

With more than 300.000 Danish expats in the diaspora, this is a potentially very interesting resource, and it is this potential that Copenhagen Capacity and a number of other public and private actors seeks to unlock.

In order to reach out to the diaspora, Copenhagen Capacity tested a side campaign to the tech campaign. In this side campaign the target group was not international talents. Instead, the target was expatriated Danes as well as foreigners with affiliation to Denmark, either through family, job, education etc. The target groups were identified through Facebook.

This campaign had sought thus send a slightly different message than the main campaign. While the call-to-action still was to take a job in Denmark, the side campaign used "time to come home?"-messages with different twists meant to make the expatriated and "affiliated" Danes consider a job in Denmark – partly because of the job opportunities but also because these jobs were located in Denmark.

The side campaign was only a test running for two weeks. Yet, more than 60% of campaign traffic in those two weeks could be traced back to the side campaign. The test has now led Copenhagen Capacity to develop and run a dedicated campaign aimed the same target group, but this time with fully tailored messages and nurture flows to the Danish diaspora throughout the campaign.

## 3.4 From regional to national talent attraction

Initiatives to actively attract international talent to Denmark has traditionally been done at the regional level by regional actors. Copenhagen Capacity has managed talent attraction in Greater Copenhagen and other regional initiatives have undertaken the attraction activities in other parts of Denmark, including Work-Live-Stay in Southern Denmark and Business Aarhus in the Aarhus region. Until 2019, the initiatives were also financed mostly by the regional administrative levels, and the regional perspective was thus logical.

However, in 2019, the Government made a thorough reform of the business support policies which meant that the regional administrative level was no longer allowed to finance business support initiatives, including talent attraction.

Instead, all business support was centralised and embedded at the state level with five regional business centres focusing mainly on supporting SMEs. Strategic and tactical decision power was centralised in a business development board consisting of representatives of companies, business organisations, labour unions, universities and politicians. Instead of a regional focus, the new board has a national approach to business support, including talent attraction.

The board also has a clear ambition to merge initiatives into larger entities, or at least ensure close coordination and cooperation between regional initiatives. Since the board controls almost all public financial support to business support activities they can enforce their ambitions at the expense of regional autonomy rather effectively. To maintain their activities and funding, Danish talent actors have consequently started to work together and coordinate across the country in a large consortium of 28 actors in Denmark's largest talent attraction project so far. The project is called 'Talent To Denmark' or TalenTDK.

The broad cooperation allows the project to work coordinated across a wide range of the talent management cycle. It addresses the following challenges that Denmark needs to out in order to both attract, integrate and retain international in Denmark:

- Denmark is not a known career destination: TalenTDK aims to change this with the help of targeted talent campaigns, supported by physical presence at selected events. The project also introduces an intelligent digital matchmaking tool and a Talent Flagship Programme.
- The welcoming and integration of international talents need to be improved: TalenTDK improves the digital user journey for all new talents (and companies) and develops easy-to-use introduction packages.
- Many SMEs are not ready for international talent despite serious labor shortages: the partners behind TalenTDK enter seek to create dialogue with relevant SMEs on regarding the pros and cons of hiring international talent. They also create digital introduction packages and mentors whom the SMEs can consult during the hiring process.
- Too many international students are leaving Denmark after graduation: TalenTDK introduces digital information packages to all international students, tailored events and matchmaking as well as supporting two career programs: Young Professionals in Denmark and Mentoring Program Denmark.

### 3.4.1 Organisation

The TalenTDK project is implemented by a national partnership of business organisations, universities and ICS centers and others. Copenhagen Capacity is the lead partner and principally responsible for the project's implementation in close collaboration with a number of core partners (Business Region Aarhus, Business Region Mid-West, Triangle Area and International House Copenhagen) that form the project's steering committee. The steering committee meets four times a year and decides on the overall lines of the project.

Other financial partners are included in the partner group that meets twice a year for a status and discussion on progress of the project. Finally, the project has a reference group consisting of the non-financial partners around the project (e.g. interest organizations or authorities) who would like to support the project. The reference group is kept informed about the project's progress on an ongoing basis and they are invited to the annual seminars.

For each work package, a working group representative from the organisations involved across the country is assembled. The working group is responsible for implementing the work package and documenting the results thereof.

While 28 partners in a project certainly makes the project and its implementation complex, the regional cooperation has a number of advantages that Finland could potentially learn from

- The partners represent a wide number of organisations that are both directly involved in talent attraction and also organisations for whom access to talent is a smaller, yet important part of their work (e.g. companies and universities). Having these partners gathered around a common topic gives the partnership a strong voice and role in the wider discussions about access to talent
- Knowledge and platforms are shared across regional partners. Copenhagen Capacity has the most advanced backend for active talent attraction. Therefore, this was used as a joint backend for all regional initiatives. Not having to build up and maintain several advanced backends for tax payer money saves both time and public money
- Although the project is embedded at the national level, there are very clear regional components. Each region has different shortcomings of talent and different value propositions to offer international talent. Still, national cooperation allows applicants in one region to be exposed to opportunities in other regions that match their skills and career plans.

The project started in 2020. Therefore, it is too early to evaluate its results.