RIGHT
RIGHT SKILLS FOR THE RIGHT FUTURE

Regional Report

Vordingborg Municipality

Author: Vordingborg Erhverv (Benjamin Ajida)

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Content

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1.0 Introduction

This analysis and report will cover Vordingborg Municipality in Denmark.

It will identify the current situation and skills gap needed today and in the future in the blue energy sector by identifying the current infrastructure, employment, education, R&D, and policy.

It is important to note, this report will only cover the municipality and not the region as a whole. Also, of note is that although some functions are not available in the municipality such as universities, they are available in the province and region. Vordingborg Municipality thus reaps the benefits of these due to its location and how human capital and students flow in the region. Another reason as to why the analysis will cover just the municipality, is that they decide on taxation levels and spending as well as having elected officials. The region as whole is mostly responsible for healthcare and to a lesser extent transportation and environmental policy.

2.0 Highlights of the analyses

2.1 Part 1A: Socioeconomic and R&D Profile

Vordingborg Municipality is located on the Danish islands of Zealand, Møn, Bogø and Farø in the Region Zealand and province of South Zealand. It has an area of 620,2km2 and a coastline of 385km.

As of the first quarter of 2019 the population stands at 45,816 people living in 16 local areas. Almost 50% of the population lives in densely populated areas, with approximately 50% living in rural areas with a relatively small population living in intermediate areas. The three biggest towns (urban areas) each have a focus in terms of development area. Thus, Vordingborg focuses on business and trade, Præstø focuses on residential activities and Stege focuses on tourism.

Vordingborg Municipality is governed by a municipal council which consists of 29 members who are voted for every four years. The municipal council also elects a mayor as well as a first and second deputy mayor.

In regard to infrastructure, Vordingborg Municipality has good internet connectivity with high speed broadband and 4G mobile reception in most areas, although coverage may be slower in rural and remote places.

There are two seaports, a motorway passing through and a highway, as well as bus and train stations. This makes it easy to connect to the capital (Copenhagen) to the north and Germany to the south.

The municipality's household expenditure is 86,64% in comparison to the national average with 69% of the total population in employment. The largest employment by sector is healthcare at 22% followed by construction and services, which including tourism, operational services and food services are at a combined10%. Looking at private employment only, the service branch accounts for 43%, trade and transport accounts for 24%, building and installation services at 14% and finally industry and land use (including, farming, forestry, fishery power and water supply) account for 10% and 9% respectively.

The participation rate in education is at 16,9%, and all students in the country are considered fulltime even if they do not go to school every day. There are two equivalents to institutes of technology that also provide other tertiary educational services in the municipality. It must be noted that there are several other study opportunities available in the region, including a university college with multiple locations and a university.

2.2 Part 1B: SWOT Analyses of Regional Innovation Ecosystem

THEME – TECHNOLOGY ORIENTATION

There is little to very low technological orientation in the municipality and few companies that operate in the IT field. The issue could be that there are fewer people with higher technical education or university level education. There is also the sentiment that the region is not proactive and somewhat conservative

in this field particularly in wind and blue energy matters. The distance to Copenhagen also hinders the attractiveness of the region to potential highly technical employees.

Another issue is that there seems to be a lack of interest in the field of blue energy or windmills from the local population due to either the work type or hours. This is also compounded by the good welfare system that makes the jobs available not as attractive and some companies have resorted to employing foreign individuals.

THEME – REGIONAL ATTRACTIVENESS

The municipality is considered attractive in terms of natural resources which would create a viable blue energy sector. There is ample wind, water and sun. There is also a well-established connectivity to Copenhagen, which in this instance counts as a positive. It is also beneficial that the municipality has two ports as well as low labour and housing costs.

Unfortunately, the municipality is not considered progressive in terms of industrial decision-making as well as local zoning laws. The society is also not considered a proactive one in terms of pursuing new technologies and at times they protest them, which can make investors weary of the municipality. This all culminates in the lack of large industrial machinery or a workshop which could be a hindrance but also an opportunity for an enterprising investor.

THEME – POLICY

The municipal policies are mainly decided on the regional level with some being decided on the municipality to fit the citizens desires. The overview, however, is that there is no specific municipality policy. There is a high focus on education and environmental policies which are both handled on the national and regional level respectively. Once an investor meets these policies, the municipality is easy to work with and approve plans. There are also funds available to investors or entrepreneurs both on a national and municipal level for investment in the region.

A notable example of how local municipal policy can hinder progress is that of banning all windmills of the land. This was enacted due to the influence of strong citizen groups.

THEME – TRIPLE HELIX

There is good cooperation between the government and the industry because both parties are interested in the growth of the region. There are several development funds, subsides and schemes (as mentioned in the previous section) made available for investors. This, however, does not make it easy to borrow money for a business without incurring personal debt making entrepreneurship somewhat difficult. There are only few big investors in the municipality and there exists a strong sentiment that it is not “interesting” enough giving way to thoughts of could Vordingborg Municipality be better at marketing and branding

itself? There are also several bureaucratic holdbacks in building and property investment that may turn industry away as it would take too long to get approval.

As the municipality does not have a university, it is difficult to pinpoint their engagement, but there is need for more engagement with students. An example could be having students working vocationally with companies or promotion of writing school reports on them. There just is no "hotline" between the two and only vague connections.

The civil society stands to benefit immensely from the subsidies growth models and projects made available to them, but more engagement is needed with industry and business societies. There is a sentiment that the focus is on spending income (both on government and civil levels) rather than income creation activities.

The above are the sentiments and observations from interviews with local experts. Some external analysis supports some of the points mentioned, but equally important, sheds light on the municipal perspective. From December 2016 Vordingborg Municipality has been one of the areas focused by the Ministry of Business and Industry and targeted for business growth efforts. It has been noted that the lack of qualified labour is one of the largest barriers for growth in the municipality. This is exacerbated by the fact that there is more unskilled labour than highly educated labour in both the municipality and the region as a whole, in relation to the rest of country. This does highlight the need to have the "Right Skills" in the short to medium term, given the municipality´s ambitions as well as the offshore developments taking place in the surrounding area.

This can be further noted by the fact that in 2017 93% of all employees in the municipality had up to a higher vocational education training. The remaining 7% had a bachelor's education or higher. This however is not negative in the case of Vordingborg Municipality as the skills in demand for the future, will be technical and upskilling on the current knowledge may be an easier transition. Vordingborg Municipality has taken note of this skill spread and re-branded to call themselves the Municipality for Craftsmen. This acknowledgement and embracing of their current standing is a massive step in the right direction. There is however a great need to not only upskill the workforce, but also try and expand/diversify competencies so as to prepare for the future and ensure sustainable growth.

THEME – ENTREPRENEURIAL ENVIRONMENT

Due to the difficulties in borrowing money and the relatively low incomes in the region, there are few entrepreneurs and innovative companies in the region. The inhabitants of Vordingborg Municipality are often able to cover their basic financial needs with their salary, which in many instances contributes to a low incentive to start new ventures locally, that may be risky. Furthermore, there are no networks working together for a common developmental growth, and most companies are only interested in their own growth. There is a sentiment that politicians could intervene and encourage better cooperation or incentives.

The majority of schools in the municipality have a feature week which focuses on entrepreneurship both at primary and higher levels. However, this is not adequate, as there needs to be more support for local enterprises and organisations for them to inspire local young people.

THEME – INNOVATION ECOSYSTEM

The innovation ecosystem is simply stated as, "vague". The financing issues as well as the municipality's lack of engagement with the educational system hinders this. Residents in the municipality also lack the technical and/or engineering expertise to start something. There is little to no research in the municipality and any that is done is difficult to implement and commercialise.

THEME – CLUSTERS AND NETWORKS

There is a good maritime sector network, not only in the municipality, but also within the region. This is also strengthened by the culture and strong networking. The build-up of service groups such as the Krieger's Flak Service Group (for the offshore windmill park) is a good sign for the future. It is an opportunity to raise the overall technical level of the municipalities companies and an opportunity to educate them. It also gives them a foot inside the industry and an opportunity for growth. A concern is, however, that these service groups often only include few experienced members from the particular industry, which can make it difficult to navigate and work with smaller partners.

THEME – REGIONAL TECHNOLOGICAL DEVELOPMENT (RTD) / INNOVATION FUNDING

It is relatively easy to attain funding for business cases but often difficult for infrastructural developments. Long and complicated application processes marred with bureaucracy make for a tedious procedure, and there is therefore a need to rethink this on a municipal level. It is important to note that funding is still available on a national level.

THEME – SMART SPECIALISATIONS

The smart specialisations for the region will revolve around Space, the Sun, Water and Wind, which is further supported by the Krieger's Flak offshore windmill park development. There is good infrastructure surrounding the region, as well as funding and interest, so if managed carefully, they can be developed. These smart specialisations are easy to realise as they occur naturally, and the geographic location of Vordingborg Municipality is ideal.

The smart specialisations are sustainable and have potential to attract more highly skilled workers in the municipality and region as a whole. Several infrastructural projects such as the Storstrøm bridge, Vordingborg and Klintholm ports have already been invested in anticipation of the regional developments.

Still, the concerns regarding the financing of clusters that may form around these developments remain. The policy of the municipality also needs to change and be clearer to both industry and citizen groups on what developments are allowed to be made. Furthermore, these plans should be followed through to keep investor confidence high.

3.0 Key Conclusions of Parts 1-3

The Vordingborg Municipality has a lot of potential for growth in industry, but particularly within the blue energy sector. There is, however, a deep need to create local policies that support investors, both large and small, and clearly define permissible activities to both the public and industry. There is also need for the governance to take a stance on which activities they consider essential for the future, not only through industrial policy but also educational and financial policies.

Better promotion of the municipality is needed to entice high technology industry and the highly technical staff that follows. There is also a need for local skills development from universities and vocational training institutes within the energy and specifically blue energy sector, as other municipalities currently are drawing more of these competencies at higher rates.

There is the general sentiment that everything is ready, it is just a matter of time until all stakeholders come together and make it happen. There is however the genuine and founded fear that it may all not come to fruition.

4.0 Discussion of the Findings

Although the SWOT analysis was done with the participation of two industry professionals with in-depth knowledge of the regional trends and a local orientation, it is important to note that their views may not be universally held by others in both the private and public sector.

Their views on employment and skills gap have however been supported by other research and have at several times been noted as issues within the municipality. The governance within the region has taken steps to address some of these issues and the outcome of these steps may be noted at a later date.

The blue energy sector is also relatively new to the region, thus there is no information or expertise in terms of regional needs available. This can be noted in the JOE and SME responses [see appendix 6.4]. This is necessarily a “learning by doing” process, which may contribute to the perception of a large knowledge gap between service group members.

The lack of a university in the municipality may add a bias and skew to the negative in terms of the educational perspective in both the municipality highlights and certain sections in the SWOT. Close proximity to cities like Roskilde and Slagelse can, however, easily alleviate the need for a municipal one. There is also a somewhat narrow focus on attracting technical and engineering profiles to the region. A wider casting of the net could serve the municipality well by including; business, internationalisation and marketing experts. These could help alleviate issues local companies have with funding, growth and business knowhow.

5.0 Inputs for new strategy and policy for Skills Education and SME innovation

The policy for skills and education should focus more on future municipal needs in anticipation for the current developments. There should be policies both locally and nationally that focus on specific types of education that will provide employment in the short medium and long term in line with the municipal's blue energy goals.

There is also a need for up-skilling current staff in SMEs to be able to support the windmill park. This includes embracing new innovations in technology and perhaps leveraging the municipality to become more proactive and change the current perception of having "vague" policies and not being first-movers. This has the potential to encourage other start-ups and SMEs to potentially build a thriving support industry or cluster to service the Krieger's Flak offshore windmill park.

6.0 Appendix

6.1 Part 1A: Socioeconomic and R&D Profile

6.2 Part 1B: SWOT analyses on Regional Innovation Ecosystem

The analyses where performed by:

- Steffen Steffensen who is the chairman of the Lise Lund Fontænen. He is experienced in engineering and international affairs as well as wind energy. Referred to as [SS] in the WP3 report.
- The second participant is Jan-Jaap Cramer who is the development chief at Vordingborghavn. He is an expert on the region as well as logistics and supply chain. Referred to as [JJC] in the WP3 report.

For full responses please see attached file : "WP3 Document for the Regional Report_Blue_Vordingborg Municipality"

6.3 SME analysis format

The SME analysis format was performed by:

Jacob Jensen who is and engineer and the office chief at DMR (Danish Environment Advisory agent). They are also involved in local service groups for developmental projects. Referred to as [1] in the WP3 report.

Christina Hedemark Jensen who is the CEO of Krinak and Vordingborg shipping. She is also part of the Krieger's Flak Service Group. Referred to as [2] in the WP3 report.

For full responses please see attached file: "WP3 Document for the Regional Report_Blue_Vordingborg Municipality".

6.4 Job Forecasting and Skills Gap Analysis

Please see the 2 attached Job Opening Excels for DMR and Vordingborg Shipping.