

# TIME FOR A SERIOUS LOOK AT DENMARK AND ITS ECONOMY

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## INTRODUCTION

When an average American reads the morning newspaper, news items from Denmark will usually be absolutely absent. Hoping to go against this trend, the current authors decided to take a look at what's going on in that nation today. The first thing these authors learned is that we harbored some inaccurate notions regarding Danish history. And then we discovered that the home of the Danes is a very interesting place to investigate as we stand on the doorstep of 2006.

## A QUIRK IN DANISH HISTORY

It could be said that actual field operations for Germany's armed forces, the *Wehrmacht*, began on September 1, 1939 with the invasion of Poland. As we know, there were several such invasions to follow – including that of Denmark! However, the arrival of the *Wehrmacht* in Denmark varied greatly from the model we are so familiar with.

*Wikipedia, the free encyclopedia* of the Internet, relates that the Poland campaign lasted barely a month, to 6 October 1939. Some 65,000 Polish troops were killed and 133,700 were wounded. In addition, 420,000 Polish troops were taken prisoner by the Germans and 240,000 became POW's of the Russians (28).

Norwegian [armed] forces lost a total of 1,335 men killed in action (Army and Navy combined). Norwegian civilian casualties, in spite of many German bombings, were less than 300 killed (42).

How about Denmark? George Parada, on the website *Achtung Panzer*, relates that the invasion started at 4:15 A.M., April 9. Then he summarizes the action:

At 5:00am, German paratroopers landed at abandoned fortress of Madneso and soon after at the airport of Aalborg. At

6:00am, German sea transport arrived at the port of Copenhagen and [a] single infantry division entered Jutland. Defeated from the start Danish Army did not put up any resistance with the exception of fighting in North Schleswig and for the Royal Palace in Copenhagen. At 9:20am, under the threat of aerial bombardments of Copenhagen, Danish government ordered cease-fire, protested against the occupation and then surrendered. By the end of the day, Germany controlled Denmark (26)

Parada summarizes: "Danish casualties consisted of 12 pilots, 11 soldiers and 3 border guards along with 23 wounded" (*Ibid.*). *Wikipedia* reports: "Sixteen Danish soldiers died defending Denmark" (25). Compare those figures with 1,335 Norwegian military deaths and 300 Norwegian civilian deaths, and 65,000 deaths in the Polish armed forces! No, the Invasion of Denmark was not according to the usual Nazi pattern; neither was the Occupation.

Hilary St. George Saunders, writing in 1948 in *The Left Handshake*, stated: "The persecution of the Danes was not so severe as it was elsewhere" (31, p. 4). On a website titled *Old Denmark in Cyberspace*, we can read the following. *Some clear misuses of English are obvious:*

Compared to what happened in other European countries the occupation of Denmark was rather peacefully. Being convinced that the Germans would win the war the official Danish government who agreed to accept the occupation cooperated with the occupation forces. So they hoped to make the unpleasant situation as convenient as possible for the Danes (8).

There was *some* resistance, and "During the occupation the official [Danish] government

stamped the resistance fighters as terrorists....” (*Ibid.*) Hilary St. George Saunders relates that some ninety percent of Danish Jews escaped to Sweden (31, p. 1). And *Wikipedia* adds this further insight regarding Jews in a Nazi-dominated nation:

Throughout the years of its hold on power the [cooperating Danish] government consistently refused to accept German demands regarding the Jews. The authorities would not enact special laws concerning Jews and their civil rights remained equal with the rest of the population. German authorities became increasingly exasperated with this position but concluded that any attempt to remove or mistreat Jews would be “politically unacceptable” (25).

The preceding paragraphs were an attempt to stress that the Occupation experienced by Denmark was quite different from that endured by other nations during the heyday of Nazism. It’s possible that any positive effects therefrom can still be felt in Danish life.

## KØBENHAVN KEEPS UP WITH WORLD NEWS

A typical citizen in the Western Hemisphere probably spends little or no time keeping up with the latest news from *København*. That’s how they say “Copenhagen” in the Danish capital of “København.” But a short glance at the newspapers in København makes it clear that the Danes are up with the rest of the world. Here are a few examples.

A København website *Dagbladet* on April 20, 2005, had this opening paragraph from a piece by Torsten Weper:

*På Peterspladsen var der begejstring og jubel over valget af den tyske kardinal Joseph Ratzinger til Pave Benedikt XVI (36) – At Saint Peter’s Square there was enthusiasm and rejoicing over the choice of the German Cardinal Joseph Ratzinger to be Pope Benedict XVI.*

To bring in the Danish angle to this significant story, *Jyllands-Posten* reported a local reaction and listed some key topics that could be open for discussion in the future:

*Danske biskop Czeslaw Kozon glad for pavevalg af Joseph Ratzinger.... Den katolske biskop i Danmark interesserer om diskussionen om katolske præsters colibat, abort og kirkens syn på homoseksuelle....(10) – Danish Bishop Czeslaw Kozon is happy with the choice of Joseph Ratzinger [to be Pope].... The Catholic Bishop in Denmark is interested in discussions on the celibacy of Catholic priests, abortion and the Church’s stand on homosexuals....*

On April 20, the København newspaper *Politiken* headlined regarding a secondary story from Rome: “*Italiens ministerpræsident Berlusconi træder tilbage – vil danne ny regering*” (4), meaning: “Italian prime minister Berlusconi steps back [resigns] – [and] will form a new Government.” Perhaps considered by some to be a more significant news item than Berlusconi’s action was this one in *Jyllands-Posten* on that same date:

*Janet Arvizo, den 37-årige mor til Michael Jacksons anklager, færdig i vidneskranken (23) – Janet Arvizo, the 37-year-old mother of Michael Jackson’s accuser, has finished on the witness stand.*

Do people in the city of Augusta, Georgia, USA, know that an event in their town made the Danish press? Well, on April 11, 2005, here’s what Mogens Nielsen wrote for *Jyllands-Posten*:

*Tiger Woods vandt US Masters efter omspil med Chris DiMarco.... Thomas Bjørn gik desværre fuldstændig ned i finalen (24) – Tiger Woods wins the U.S. Masters [tournament] after a playoff with Chris DiMarco.... Thomas Bjørn unfortunately was not among the finalists.*

Thomas Bjørn is the *Danish* golf hero! Although once at third place in the 2005 Masters, he wound up at Number 25 due to a day in which he took *81 slag* [81 strokes] to finish the eighteen holes!

Sports news can be fun! But news of a catastrophe half way around the world can have its own frightful impact in Denmark. Who would have thought that the December *tsunami* so far away could impact the Danes? Well, it certainly did. *Ekstra Bladet* carried these horrible details on December 31, 2004:

*466 danskere savnes fortsat i Sydøstasien katastrofeområderne – 419 danskere savnes i Thailand...23 savnes i Maldiverne og Indien...20 savnes i Sri Lanka...savnes 4 i Indonesien (29)*  
– 466 Danish are still missing in Southeast Asia's catastrophe area – 419 Danes missing in Thailand...23 missing in Maldives and India, 20 missing in Sri Lanka...4 missing in Indonesia.

Yes, Denmark keeps up with the world far better than vice versa. Let's move to restore some balance. One place to start is with something we've often heard – whether true or not – about Denmark and some of its neighbors.

## VELFÆRDSSTAT

Here's the Danish term we've heard so often applied to each of the Scandinavian nations, with Denmark very much included: **velfærdsstat**. You guessed it. That Danish word means "welfare state."

In its issue for July 8, 2004, Great Britain's *The Economist* provided a fine opening sketch of Denmark's **velfærdsstat**. To give the portrait an international twist, *Economist* included two other nations. Here's the picture:

The Netherlands, Denmark and New Zealand have employment rates close to America's, yet also manage to maintain big safety nets.... Take Denmark. It pays the unemployed up to 96% of the salary they received in work. You might think that this would not inspire them to seek a new job. Yet the Danish approach makes use of "activation" policies, such as monitoring the diligence with which the jobless seek work and offering full-time programmes for training. The disadvantage is that such an approach is

expensive: it costs a huge 5% of Denmark's GDP (13)

About a year earlier, on June 12, 2003, *The Economist* told what Swedes, Danes and Norwegians are looking for from their Governments:

The region's people expect free schooling and university education, high-quality health care, generous unemployment and sickness benefits, state-funded maternity and paternity leave, universal pensions and more (19).

As we might guess, high welfare in the **velfærdsstat** is accompanied by high taxes. In 2003, the Denmark Prime Minister Fogh Rasmussen spoke of lowering taxes:

"I can't promise a drastic reduction, only a gradual decline in personal income tax from January 2004. Denmark will still have one of the highest taxation rates in the world. But we have a well-functioning public sector" (*Ibid.*)

Those were some looks at the **velfærdsstat** by a *British* publication. Now, we turn again to a Danish website called *Old Denmark in Cyberspace* as that website looks at its own nation in a slightly different way:

Denmark is a rich country with a high material standard of living. Also the gap between rich and poor is smaller than in many other countries in the North. Even poor people in Denmark have a relatively high material standard of living compared to the general world population (35).

The same account stresses something additional. Is this new advantage truly a product of the **velfærdsstat**?

In Denmark...young women can walk alone through the cities by night without any problems. Robberies, violence, rape, etc. are rare (*Ibid.*).

According to *The Economist* way back in 2003, Torben Tranaes, a København professor of

welfare economics, wanted to remind us of a particular characteristic of the Danish **velfærdsstat**:

Mr Tranaes...points to an unpublished paper by John Roemer of Yale which suggests that ethnically homogenous societies are more willing to pay taxes. "In homogenous Denmark, people trust that the government will use revenues in the right way," says Mr Tranaes. "But a more multi-ethnic society poses a threat to this attitude." One characteristic of populist parties in Norway and Denmark is a combination of anti-immigrant attitudes with strong support for the welfare state (19).

Here's what Professor Roemer could be saying to us: "Let us say that a family arrives in Denmark from Hungary, and intends to remain the rest of their lives in Denmark. There is no great Danish enthusiasm for providing 'cradle-to-the-grave' care for that Hungarian family."

In treating the Danish **velfærdsstat**, we have already taken a fairly comprehensive look at much of the "economy" as experienced today in Denmark. Now, we turn to a few other aspects of that economy.

## SECOND LOOK AT THE DANISH ECONOMY

This further very short consideration of the *Danske Økonomi* can be broken into three parts.

### ***The Favorable***

In the autumn of 2004, Britain's *The Economist* touched on a positive:

What do ordinary Europeans want from the European Union? The opinion polls provide an unambiguous answer: jobs.... Some European governments have introduced successful policies for getting the unemployed back to work. In Britain and Denmark the ratio of the population at work is higher than in America (27).

On April 13, 2005, the official Danish Government website was almost euphoric. That

site is known in English as *Denmark.dk The Official window*. Here's the April 13 commentary:

Denmark's economy has never been stronger the Chamber of Commerce says. With thousands of new jobs, healthy economic growth, and a continued boom in private consumption, Denmark's economy has never been healthier the Danish Chamber of Commerce (HTS) said on Tuesday. HTS' annual economic forecast stated that 20,000 new jobs would be added to the service sector alone in 2005. Economic growth would reach 2.5 percent and private consumption [would] boom as never before (7).

What is that HTS referred to as the Chamber of Commerce? HTS stands for *Handel, Transport og Serviceerhverven*, meaning roughly Business, Transportation and the Service Professions. About a week later, that official website had more good news:

Entrepreneurs face few barriers when starting new companies in Denmark. Complicated laws and a stiff bureaucracy are two myths that lead many to believe that starting a new company in Denmark can be a difficult process. However, Danish regulations for creation of new businesses are among the most streamlined in the world (11B).

### ***The Less Favorable***

That official Danish website tries to offer an objective picture without regard to always offering a rosy view. Here was a portrait for April 14, 2005:

Denmark's foreign trade fell in February, a sign to economists that the economy is beginning to cool off. Denmark's economic numbers were strong in February, but despite a solid trade surplus, a fall in both imports and exports has experts concerned that the past years' economic party may be winding down (11A).

As 2004 was ending, Kristian Halskov touched on one reason why exports could be in the process of falling. Here is a *rough* translation of what Halskov wrote for *Jyllands-Posten*:

*Dansk eksport ramt hårdt af lav dollar. Hver femte eksportvirk-sombed har justeret forventningerne efter dollarfaldet (16) –*  
Danish exports are hit hard by the low [valued] dollar. Some fifteen exporters are adjusting their sales forecasts after the fall of the dollar.

Said in a more layman-like fashion, the dropping value of the U.S. dollar makes American exports less expensive and thus more attractive. The next step in the logic finds importers turning to cheaper dollar-denominated goods, and cutting back on Danish goods.

### ***The Government Stepping In***

Remembering what we read about the **velfærdsstat**, we should not experience total shock when we see the Government stepping in. *Denmark.dk* *The Official window* provided this report on 14 April 2005:

TDC, Denmark's largest telco, was informed by the country's IT and Telecom Agency that it would be forced to share a portion [of] its network with competitors as a way to ensure that the company does not abuse its monopoly position in the market... The government's decision means that TDC will be required to allow competitors to access the portion of the telephone network that links consumers with telephone centrals (41A).

Prior to that action, the Danish Government showed that it knew how to keep communications companies under control. On March 16, 2005, Russia's *Lenta.ru* told how a German firm, Debitel, was being disciplined. We have eliminated the Russian Cyrillic from *Lenta.Ru* and go directly to the English translation:

The German operator of mobile communication, Debitel, was fined by a Danish court in Copenhagen for the sum,

which is a record for such cases, of 2 million Danish krone (269,000 euros), because of its spam (16A).

Around the world, there's a lot of talk about "spam," but we've just looked at a København court that is doing something more than just *talk* about spam! In the future, there will be a lot of Danish interest in another *four-letter word*. It's **wind!**

### **OUR FATE IS IN THE WIND**

To say that Denmark is "enthusiastic about wind power" would be a vast understatement. Some reports could lead you to believe that wind power there is an obsession! Let's take a look.

*Vindmølleindustrien*, or Windmill Industry, keeps the world informed. On their website in April of 2005, they set out their goals:

*Vindmølleindustrien har en vision om, at Danmark skal være Wind Power Hub, så vi om 10 år fortsat er verdens førende vindkraftcentrum for teknologi og højt kvalificeret arbejdskraft (39) –*  
The Windmill Industry has a vision that Denmark will be the Wind Power Hub, and ten years from now will be the world's leading windcraft center for technology and highly qualified personnel.

Certainly in tune with that goal was the news back in June of 2002 from a leading Danish university:

*Aalborg Universitet opruster nu igen sin forskning i vindmøller og vindenergi (2) –*  
[Approximate translation] Aalborg University again places strong emphasis on its research into windmills and wind energy.

And Danish officials are promoting the wind as energy whenever and wherever they can. The Danish Minister for Environment, Hans Chr. Schmidt, spoke to a conference in Bonn, Germany on the topic "Renewables 2004":

"I would like to stress that in order to create a predictable and secure investment environment it can be helpful to set targets for renewable energy," the Danish

minister stated.... He used Denmark as the good example, as 20% of the Danish electricity comes from wind (3).

That **20%** is a good figure to work with. Here's how the European Union looks at that figure. But first a clarification: The term "renewable energy" may be used today to refer to both *solar* and *wind* energy.

The European vision of the wind industry is for EU to increase the amount of renewable energy to at least 20% of the gross energy consumption by 2020 (14).

There you have the prediction: European Union getting **20 percent** of its energy from wind by the year **2020**. How about Denmark? *Windkraft.org* has a surprising answer for us!

In the new political paper "Wind Power 50" the Danish Wind Industry Association recommends an expansion of the Danish wind turbine capacity. The goal is that wind power will cover **50%** of the Danish electricity consumption in 2025 (38; **bold** emphasis added by the current authors).

There will be challenges along the way to that **50%** achievement. For its April 9 issue, 2005, *The Economist* brought in financial and economic factors:

A Danish firm leads the wind-turbine world.... You would think it hard to be the world leader in an industry roaring ahead with government backing and subsidised customers – and still to lose money. Yet Vestas Wind Systems, a Danish wind-turbine maker, did that last year.... (6).

But there was a more happy side to that particular picture painted by *The Economist*:

Not everyone did badly.... Bonus, another Danish turbine maker, was bought by Siemens as the German electrical-engineering giant's first step into wind power. LM Glasfiber, also from Denmark, with only \_300 m[illion] of

turnover [revenues] but world leadership in turbine rotor-blades, did the opposite of Vestas, moving from heavy loss into profit (*Ibid.*).

Yes, for certain for Denmark, wind power is in the picture to stay.

## CONCLUSION

We have spent several moments in Denmark. It is a nation of great past accomplishments. It is a nation facing some supreme challenges on the morrow. But the Danes will meet those challenges. How will the Danes achieve the appropriate solutions? A Bible familiar to their Swedish neighbors has the answer: "*Sök, så skall ni finna*" (4A, p. 11), "Seek, and ye shall find!" It has always worked for the Danes in the past; the future will be no different.

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