

Factsheet Denmark



The Viking Age depicted on a tapestry by the artist Bjørn Nørgaard. Today, a millennium later, the Danes still retain their Viking spirit. They have conquered many of the world's export markets and their country has become one of the ten richest in the world.

JANUARY 2006

DENMARK - AN OVERVIEW

Maps of the world can be drawn in several ways. Generally, area measurement is used and represented in this way, the kingdom of Denmark - excluding the Faroe Islands and Greenland - with its 43,098 square kilometres is smaller than many of the individual states of the United States.

However, if measured by the share of the annual product spent on development assistance, Denmark is placed very high internationally. The same applies if the yardstick is the number of Danish police and military forces sent out on peacekeeping missions or the results in a sport such as women's handball. Considered from these – albeit unusual – angles, the miniature state momentarily assumes superpower status.

The following is a portrait of a country, which in many respects attracts positive attention. But there may be wrinkles in even the most beautiful physiognomy and there are some in Denmark's. These will also become apparent when zooming in.

Denmark is often called the Welfare State Denmark. Another expression often used is the Danish Model. What do they mean?

The Danish Model

One of the prerequisites of the Danish model is free trade and industry with high productivity. The proceeds from this are heavily taxed. The income tax to the state is progressive. Thus, the broadest shoul-

Holiday homes in the dunes by Blokhus, North Jutland. The west coast of Jutland is an attractive holiday destination for both Danish and foreign tourists.
Photo: Scanpix/Henning Bagger.



ders carry the heaviest burdens, as the saying goes. In Denmark, there is also a high general value added tax (*moms*) of 25% on all goods and services. Altogether, this produces one of the heaviest tax loads in the world. However, the Government has decreed a tax freeze. If more money is needed in one area – for instance improvement of hospital conditions or provisions for the mentally disabled – an equivalent saving must be made elsewhere in the public budgets. Furthermore, an income tax cut, though limited, has been introduced, resulting in a decrease in the tax loads from 48.9% in 2004 to 48.1% in 2005.

With the revenue from taxes and duties, the state creates great security for its citizens. A Danish citizen living in this country has a broad fan of needs covered free. These include education, medical treatment, hospitalisation, early retirement pension for those with reduced capacity for work and – from the age of 65 – a national pension (introduced in 1958) large enough to live on. In addition, the state subsidises for instance unemployment benefit, dental costs and nursing home accommodation for those no longer able to manage on their own.

The Welfare State

In a way, it all started in the world of poetry. The clergyman, author and politi-

cian N.F.S. Grundtvig (1783-1872) wrote in a song about Denmark that a country has progressed far when 'few have too much and fewer too little'. This is precisely the formula for the Danish welfare state. With the taxes as a tool, an equalisation of income is achieved so that everyone has the necessary material framework for living a reasonable life.

Of course, the Danish welfare state is not exclusively a success story. The education, health and care offers result in a large public sector and another 35% of the taxes and duties levied are paid back to the population as transfer income, such as education grants, cash benefit and various kinds of pension. The heavy tax load tempts some of the most gifted people to find work abroad and the guaranteed access to social benefits may invite abuse.

Despite all criticism – and although the public sector workforce now accounts for 33% of all employees – a large majority of the Danes want their welfare state to continue.

Denmark's Geography

Denmark is located in Northern Europe between the North Sea and the Baltic. Denmark also includes the Faroe Islands and Greenland in the North Atlantic and they are described in separate *Factsheets*. The bulk of Denmark is the peninsula

Jutland, which juts up from the European continent and has a border with Germany of just under 68 km. The rest of the country consists of 406 islands, 78 of which are inhabited. This gives Denmark a total coast line of 7,314 km, corresponding to a sixth of the globe's circumference. The highest point is 170.68 m above sea level. No one in Denmark is more than 50 km from the sea. The climate is temperate coastal climate, January and February are the coldest months with an average temperature of 0.0°C and August the warmest with an average temperature of 15.7°C.

The average wind force across the year is 7.6 m per second, which helps explain why Denmark is the world's largest exporter of wind turbines. 62% of the total area is cultivated, the highest percentage in Europe. 56% of the land is used for growing corn, 20% for grass, 4% for roots and 4% for seed.

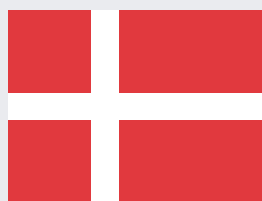
Prehistory

The country has probably been periodically inhabited for more than 120,000 years. The first certain proofs of human habitation date from around 12,500 BC. The Stone Age people among other things lived on oysters and the shells are still found in the so-called *køkkenmøddinger* (kitchen middens) – a Danish expression which has passed into other languages.

From Superpower to Miniature State

The Danes attracted international attention in the Viking Age from the late 8th to the mid 11th century, but not only positively. They were skilful shipwrights with a love of adventure. They travelled far, for instance to the Mediterranean. The Vikings acted as merchants, but equally often as marauders and invaders. For a short time in the 11th century, Denmark subjugated England.

From the 14th century, Denmark also ruled over Norway and parts of Sweden. At that time, Denmark stretched from Nordkapp to the Elbe. As a result of ill fortunes of war, arrogance and poor choice of



Kongeriget Danmark - The Kingdom of Denmark

Form of government: Constitutional monarchy

Area: 43,098 sq. km

Population: 5.4m inhabitants

Population density: approx. 127 inhabitants per sq. km

Average life expectancy: men 75.2 years, women 79.9 years

Capital: København (Copenhagen), 1.21m inhabitants in the metropolitan area

Major cities: Århus (294,954), Odense (185,871), Aalborg (163,228)

Language: Danish

Religion: 83.3% belong to the National Lutheran Church

GDP per capita: \$44,805

Currency: Danish krone (DKK)



Danish State Railways (DSB) IC3 type inter-city train on its way through the Danish landscape. The IC3 trains have received several design awards and also been sold abroad.
Photo: Polfoto/René Strandbygaard.

allies, Denmark's territory and population were heavily reduced over the period until 1658.

Many wars have been fought with Sweden in particular, but in the 19th century, it was the relationship with the southern neighbour Germany that led to wars.

After the last major war, the Second Schleswig War in 1864, the Danish territory was reduced by a third when Schleswig and Holstein were ceded to Germany. This led to a movement in Denmark with the motto 'What is lost externally shall be regained internally', which resulted in the cultivation of moorlands and the draining of bays and inlets for farming purposes. North-Schleswig returned to Denmark following a plebiscite in 1920.

The Occupation 1940-1945

During the Second World War, Denmark was occupied by Germany in 1940-1945. Forced by circumstances during the German 'peaceful occupation', King Christian X and the Danish government led by the Social Democrat Thorvald Stauning chose to collaborate with the occupying power. In this way, they hoped to create the easiest conditions for the population.

In 1943, Germany intensified its demands on the collaboration. This formally collapsed, but in connivance with the politicians, Danish civil servants continued the collaboration during the Heads of Departments Government.

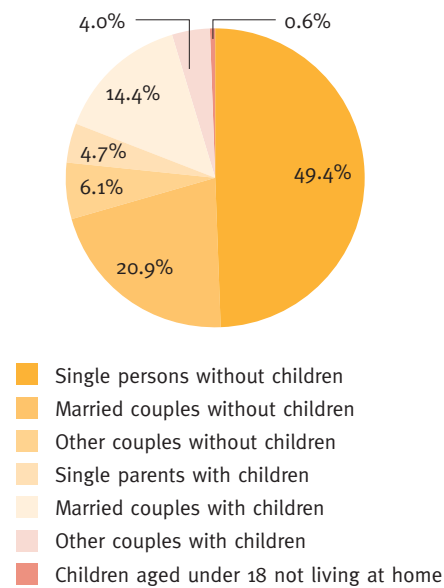
From 1943, the increasing popular resistance to the Germans created the basis for an underground movement. Denmark was the German-occupied country where the smallest number of Jews died: helped by, among others, the resistance movement, most of Denmark's Jewish population managed to escape to the neutral Sweden.

The Danish Constitution

Originating in the chieftain rule of the Viking Age, the Danish constitution was Absolute Monarchy, followed by Enlightened Absolutism 1660-1848. In 1848, the

Family Types

(January 2005)



Source: Statistics Denmark.

new King Frederik VII abolished Absolutism and the following year a free Constitution was codified.

However, democracy did not fully unfold until 1901, when the provision that a government must not have a majority in parliament against it was introduced.

The Royal House

Since then, the royal family has, with great loyalty and subtlety, fulfilled the role of neutral mediating link between changing governments and as a dignified and popular, but entirely apolitical, uppermost superstructure on the Danish machinery of power. The current monarch, Margrethe II, b.1940, is the daughter of King Frederik IX (1899-1972) and Queen Ingrid (1910-2000). She is married to the French count Henri de Laborde de Monpezat, now Prince Henrik, b.1934. They have the sons Frederik, b.1968, who is the Crown Prince, and Joachim, b.1969. In 2004, Crown Prince Frederik married Australian-born Mary Elizabeth Donaldson, b.1972. In 2005, they had a son,

Christian, who in accordance with the Constitution will succeed his father on the throne. In 1995, Prince Joachim married Alexandra Manley, born in Hong Kong in 1964. The couple divorced in 2005, but Alexandra retains her title of Princess and now also Countess of Frederiksborg. The couple has the sons Prince Nikolai, b.1999, and Prince Felix, b.2002.

The Queen was born a week after Denmark's occupation during the Second World War and already through the time of her birth became a bright spot for the population. As queen since 1972, she has adopted an open style and further increased the popularity of the monarchy with her informality, charm and artistic gifts. As a creative artist, she has, among other things, created several chasubles and designed the ballet *Et folkesagn* (A Folk Tale) at The Royal Theatre in Copenhagen. The two princes have received demanding academic educations and military training. Images treasured by the Danes include the two princes freefalling during their time in the air force and the Crown Prince on a three month sledge journey in the polar frost on Greenland.

The Danish Population

Denmark has a population of 5,411,405 (January 2005), distributed on 2.5m households and the number is almost constant these days. Immigrants and their descendants now constitute 8.2% of an otherwise traditionally very homogeneous population. The population density is high – 127 per sq. km. The language spoken is Danish. It has many vowels – including the special letters *æ*, *ø* and *å* – and many significant glottal stops, which make it difficult for foreigners to learn Danish. Although the distance from the west coast of Jutland to the capital in the east is less than 300 km, there is a distinct division into dialects with associated alleged character differences – from the taciturn Jutlanders in the west through the garrulous natives of Funen in the middle to the Zealanders in the east, whose

A day nursery on an outing to Dyrehaven (The Royal Deer Park) north of Copenhagen. Photo: Mogens Ladegaard.



broad and drawling dialect calls to mind the fat lands owned by their ancestors. The metropolitan population speaks a flat and rapid language, suggesting that here the pace is fast and people do not put up with anything.

For every three marriages, there is a divorce. Thus, in 2004, there were 37.9 marriages per 1,000 unmarried men over 18 years of age and 15.8 divorces per 1,000 married men. In Denmark, women enjoy a respected and free status. Women got the vote in 1915 and already in 1908 for local elections. The latest constitutional amendment in 1953 introduced female succession to the throne, although a prince will always precede his sister even if he is younger than her.

Gender Equality, Association Life and the Media

Denmark has still to experience a female Prime Minister. 37% of the members of the parliament, the *Folketing*, are women. Equal pay has to a considerable extent been achieved. Gender discrimination in job advertisements is prohibited. Danish women have an employment frequency of almost 70% - one of the highest in the world. The public childcare system enhances women's opportunities to pursue a career outside the home. Around 94% of all children aged 3-5 are looked after in day-care institutions. 83.3% of the Danes belong to the Lutheran National Church. The second-largest religious group is the Moslems, who constitute about 5% of the population.

Danes form associations whenever they spot a sensible or enjoyable reason for doing so. Every third Dane has attended at least one association meeting within the last month. Association life is also training in democracy.

The Danes are newspaper readers. In the past, every major provincial town had a newspaper for each of the four main parties. The introduction of television led to many newspaper closures, but there are still over 30 daily newspapers and many

district weeklies and trade papers. There are several public and private radio and television stations, which were only recently allowed to show advertisements. On average, Danes watch television for 2 hours 42 minutes a day.

The Personality of the Danes

Common to all Danes is their tendency to take the ups and downs of life with a touch of irony, often self-irony. Foreign spouses in mixed marriages often complain that they find it difficult to understand what their partners really mean because they tend to say the opposite of what they think, in keeping with the nature of irony.

The tone between Danes is relaxed. Almost everyone is addressed by the informal *du*. The formal *De* is rarely used and only when speaking to an older, distinguished person. In the schools, the pupils are on first-name terms with the teachers.

With an open economy and great dependence on what is happening in the surrounding world, the Danes have benefited from their open and international attitude. Thus they consistently support maximum free trade in the world.

Over the years, there have also been traces of local insularity, snobbery and conformity. It was best not to be different. The Ugly Duckling of the fairy-tale writer

Hans Christian Andersen (1805-1875) is given a hard time because it is odd.

The Danish-Norwegian author Aksel Sandemose (1899-1965) invented the concept *Janteloven* (The Jante Law) with the bigoted rules he felt dominated his birthplace, a provincial town in Jutland. The (fictitious) rules include: 'Do not imagine you are anything special' and 'Do not imagine you can teach us anything'.

Denmark in Words and Figures

The gross domestic product per capita was \$44,805 in 2004 - the second-highest in the EU, exceeded only by Luxembourg. In addition to the state-funded welfare and security, Danes are materially well-off - also in terms of their own means.

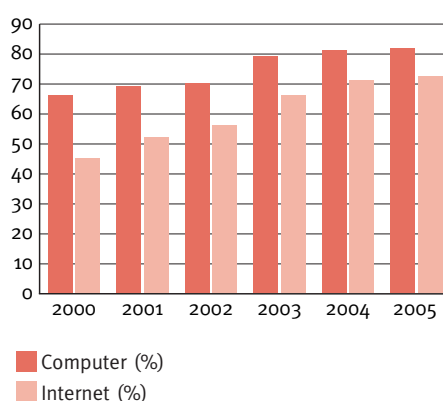
Out of 100 Danish households in 2005, 59 owned their house or flat, 11 also had a holiday home, 79 a washing machine, 57 a dishwasher, 68 a microwave oven, 84 a video player, 93 a CD player, 92 a DVD player, 84 a home computer, 47 an answerphone, 92 a mobile phone and 73 access to the internet. There is also free internet access in many libraries.

Traditionally, Denmark has been placed high on international barometers of quality of life. The welfare system pushes it up. But it is pulled down by the average life expectancy of 75.2 years for men and 79.9 for women, which is lower than in Denmark's neighbouring countries. The experts attribute this to rich food, too little exercise (although many jog) and too much smoking. However, the health authorities act with campaigns on every front and in the past five years or so, the life expectancy has improved considerably.

Cancer is the main cause of death (27.3% of the men, 25.7% of the women). Heart diseases account for 23.7% and 21.9% respectively, accidents 4.0% and 3.2%. 1.8% of the men and 0.7% of the women commit suicide. The old myth of Denmark as a country with many suicides is greatly exaggerated.

In 2004, 31 persons died of Aids-related illnesses. Some 250 drug-related deaths

Families' Access to Computer and Internet at Home (2000-2005)



Source: Statistics Denmark.



View of the Danish Parliament building, Christiansborg Palace, which is situated on the small island of Slotsholmen located in central Copenhagen.

are registered annually. Abortion was legalised in 1973. In 2003, there were 15,567 legal abortions, corresponding to 12.5 per 1,000 women aged 15-45.

In 1966, the ban on written pornography was lifted and in 1969, Denmark was the first country in the world to legalise picture pornography.

The United Kingdom of Denmark

Denmark has never been a major colonial power, but it had small tropical colonies in Africa, Asia and the West Indies. Denmark was the first country in Europe to prohibit slave trading in 1793 (with effect from 1803), but that cannot explain away Denmark's active participation in the human transport until then or the existence of slavery in the Danish West Indies until 1848.

In the North Atlantic, Denmark has ruled over Iceland, which withdrew from the union with Denmark in 1944, as well as the Faroe Islands and Greenland, the world's largest island.

There has been home rule on the Faroe Islands since 1948 and in Greenland since 1979. Neither territory is a member of the EU. Both have two seats in the Folketing. The Faroe Islands are considering full independence from Denmark, to which the Danish Government has responded that Denmark would then phase out its economic support of the Islands over a shorter term than the Faroese wish.

The Political System

Until 1953, Denmark had a bicameral system. After the abolition of the *Lands-ting*, the *Folketing* remains. The voting age is 18. The election period is four years, but the Prime Minister may call an election at any time. If the Folketing passes a vote of no confidence in the government, it must resign or call an election.

Elections are by proportional representation. 135 seats are allocated on a constituency basis, which ensures an even distribution across the country, with a small

The Folketing after the General Election in 2005

	of the votes	Seats
The Social Democrats	25.8	47
The Social-Liberal Party	9.2	17
The Conservative People's Party	10.3	18
The Centre-Democratic Party	1.0	0
The Socialist People's Party	6.0	11
The Danish People's Party	13.3	24
The Christian Democratic Party	1.7	0
Denmark's Liberal Party	29.0	52
The Progress Party	0.02	0
The Unity List	3.4	6

In addition, two members are elected on Greenland and two on the Faroe Islands. The turn-out was 85%.

advantage to sparsely populated areas. 40 supplementary seats ensure that parties with perhaps more dispersed support also have a chance of being elected. If a party cannot obtain 2% of the votes, it will not be represented in the Folketing. This minimum percentage is low in an international context. For the last 20 years, the poll has varied between 82% and 88%.

Since 1909, no party has had an absolute majority. That is why the legislation is compromise-led and centre-seeking, which has given Danish politics the name "collaborative democracy". Since 1955, the Folketing has after every election nominated an Ombudsman, who may criticise the administration by the central and since 1998 also the local authorities.

Around 200 new acts are passed every year. The developments within for instance IT, traffic and hospital techniques necessitate larger administrative units in local politics and from 2007, Denmark's 271 municipalities will be consolidated into 98 larger municipalities, while the 13 counties will be replaced with 5 regions.

There have been both single-party and coalition governments. The Prime Minister has most often been a Social Democrat, thus Poul Nyrup Rasmussen, b.1943, was the Prime Minister in a series of centre-left governments from 1993 to 2001.

The Fogh Rasmussen Government II

In Denmark, a general election is held at least every four years. At the general election in November 2001, the parliamentary majority shifted towards centre-right, as a new coalition government consisting of *Venstre* (Denmark's Liberal Party) and *Det Konservative Folkeparti* (The Conservative People's Party) gained a majority with the support of the anti-immigration party *Dansk Folkeparti* (The Danish People's Party). At the general election in February 2005, this constellation was given a clear mandate to continue.

The Government headed by Prime Minister Anders Fogh Rasmussen, b.1953 (Liberal), includes Bendt Bendtsen, b.1954 (Conservative), as Deputy Prime Minister and Minister for Economic and Business Affairs, Per Stig Møller, b.1942 (Conservative), as Minister for Foreign Affairs, Søren Gade, b.1963 (Liberal), as Minister for Defence, Thor Pedersen, b.1945 (Liberal), as Minister for Finance and Ulla Tørnæs, b.1962 (Liberal), as Minister for Development Cooperation. The Government has 19 Ministers.

The Present Political Situation

The election campaign preceding the 2001 general election was dominated by the influence of the already large immigrant population and showed that an increasing number of Danes wanted some tightening of the aliens policy.

Consequently, the Government tightened the conditions for family reunification and stronger measures were taken against the types of crimes most frequently committed by immigrants and their descendants. The key issues in the 2005 general election were the need for more care for the elderly and for families with children.

In addition, the debate showed that while the Danes accept globalisation, the relocation of production to Eastern Europe and the Far East means that new jobs must be created in Denmark through better

Danish soldiers on patrol from Camp Yggdrasil near Basra, Iraq. Denmark forms part of the US-led coalition which invaded Iraq in March 2003. Photo: Scanpix/Jens Nørgaard Larsen.



education and training, more research and a stronger desire to become an entrepreneur.

During its new election period, the Government will therefore provide better and more dignified care for the elderly, reduce the amount parents pay for day-care facilities, increase the so-called child cheque (allowance granted to all Danish families with children under eighteen), improve school children's knowledge through more exams and pursue a grant policy which will make Denmark the world's leading nation within IT and entrepreneurship.

In parallel with the tight immigration policy, Denmark will make a determined effort to integrate the immigrants already in the country.

This is also expected to benefit the Danish economy. With a 2.8% growth in 2005 and an anticipated 2.4% growth in 2006, it is one of the strongest in Europe. However, partly because of the demographic development, a manpower shortage of around 100,000 is expected soon. It will help to solve this problem if more of the immigrants and their descendants can be brought into the Danish labour market.

A welfare commission has proposed ways of maintaining the welfare level despite the shift towards an older population and the prospect of manpower shortage. As part of this, it is discussed whether the option of early retirement from the labour market, the so-called Early Retirement Allowance (*efterløn*) should be restricted or discontinued.

Overview of Danish Policy

For a time, Denmark experienced very violent clashes between biker gangs such as Hells Angels and Bandidos, but through the mediating intervention of the police, relative peace has descended since 1997. A hood ban has been introduced as one of the measures against riots by autonomous groups. The police do not use water cannons for street disturbances, although tear gas is sometimes used.

An area of Copenhagen, *Christiania*, has declared itself a 'free town' and to a large extent observes its own laws and rules of conduct. The authorities have now turned a blind eye to the experiment for more than 25 years, although the police occasionally carry out raids in the area. In the past year, the future of Christiania has once again been hotly debated.

Denmark strongly advocates environmental protection and makes its own contribution. The motto is sustainable development. The economic growth must not damage the environment or put a strain on nature. Means to achieve this include taxes on energy consumption and waste water discharge. Although it could reduce the CO₂ emission, nuclear power will not be introduced in Denmark, where sustainable energy now covers almost 12% of the total energy consumption. 66% of all waste is recycled.

The Danes use water sparingly – resulting in a usage reduction of almost 30% over the last 10 years.

The bathing water is clean. In 2004, bathing was only prohibited on 8.5 km of the total 5,400 km of bathing beach. The cars run on unleaded petrol. More than 6% of the farm land is cultivated organically. The Ministry of Food, Agriculture and Fisheries conducts campaigns against salmonella and other threats to food healthiness. Shopkeepers and consumers together watch out for genetically modified food.

Animal welfare is also given a high priority. Unit trusts increasingly avoid investing in companies with a questionable working environment, child labour, etc. A state institution has sold its shares in a tobacco producing company.

Denmark and the World

During the history of Denmark, the image of the Danes has changed completely. The barbaric Viking has been replaced by the Danish UN soldier with a child on his arm in Kosovo or Eritrea. The war against terrorism, peace-keeping, dissemi-

nation of democracy and support of developing countries are among the objectives given top priority in Danish foreign policy.

Among other things, this is achieved through membership of the UN (Denmark was a co-founder in 1945), NATO (since 1949), the Nordic Council (since 1952) and the EEC/EU (since 1973). In the European Commission, the Danish member, Mariann Fischer Boel, is Commissioner for Agriculture.

Danish Participation in International Actions

Measured by population, Denmark has sent out more soldiers and policemen than any other country in the world – more than 68,000 between 1948 and 2004 – to undertake peace-making, peace-keeping and humanitarian tasks for the UN, NATO, OSCE and as EU monitors.

So far, Denmark has reserved its position with regard to participation in the EU's military task force. Naturally, this is not a result of cowardice, but the general deliberations about the extent of Denmark's participation in EU.

After the terrorist actions in the USA on 11 September 2001, Denmark spontaneously and unconditionally ranged itself behind the international counter-reaction; a Danish warship sailed to the Mediterranean, Danish forces participated in the US-led attacks on Afghanistan and from day one Denmark participated in the international intelligence work.

In the war against Iraq led by the USA in the spring of 2003, Denmark participated with a small force, and Danish soldiers and aid workers also take part in the reconstruction of the new Iraq.

Already in 1999, Danish fighter planes took part in NATO's Kosovo action. This active participation at the front shows a new side of Denmark, which has traditionally been a reticent and militarily cautious small country.

New foreign political initiatives generally have also been demonstrated in Den-



Campaign posters before the referendum in 2000 about revoking the Danish opt-outs in relation to participation in the third phase of the Economic and Monetary Union, which among other things includes the common currency, the euro.
Photo: Scanpix/Henning Bagger.

mark's condemnation of the human rights situation in China in 1997 and India's nuclear tests in 1999.

The development is reminiscent of Shakespeare's play Hamlet, which is of course set in the Danish castle at Elsinore. Initially the Danish prince Hamlet hesitates for a long time, but when it comes to the crunch, he acts.

In keeping with this, Denmark as a member of the UN Security Council in 2005 and 2006 also chairs the Council's Counter-Terrorism Committee CTC.

The Danish Development Assistance

Denmark contributes large amounts to developing countries and has for many years complied with the UN request that a developed country should give at least 0.7% of its gross domestic product as development assistance. Moreover, Denmark abstains from demanding full export opportunities for the assistance. Thus almost half the money is handed over to the UN and similar organisations for administration.

Through its own direct development assistance, which goes for instance to 15 selected programme cooperation countries, Denmark seeks to benefit the poor, the women and the environment of the recipient country.

The former random aid projects have been superseded by a sector policy, so that support is given not to a single school, but the country's entire education system or agriculture or fishing, etc. 50.9% of the

bilateral assistance goes to Africa, 26.5% to Asia, 9.4% to Latin America and 1.7% to the Balkans, while 11.9% is not country-specific.

Recognising that any well-intentioned assistance effort can be overthrown by wars, corruption, etc., Denmark now imposes certain political conditions on its assistance. The Anders Fogh Rasmussen Government has reduced the assistance, but this will in no way impair Denmark's pioneering position as a leading donor country.

At the same time, the Government has initiated a close scrutiny of ongoing development and environmental projects in the third world to establish whether money is being wasted through corruption or the Danish assistance used against its purpose by dictatorships. Here too, the small country has thus abandoned its customary reticence.

In addition, help is offered towards converting authoritarian regimes to democracy, for instance with the drafting of a new constitution and training in election technique. Denmark has also established a rehabilitation centre for victims of torture, which has received great international recognition.

As member of the UN Security Council in 2005 and 2006 - and as chair of UN's Counter-Terrorism Committee - Denmark will work towards linking counter-terrorism measures with development assistance to reduce poverty, thereby reducing the number of persons or movements resorting to violence because of poverty.

Denmark and the EU

Since joining the EEC/EU in 1973 after a referendum where 63.3% voted in favour of membership, Denmark has worked for transparency in the EU decision-making, the inclusion of environmental concerns in all decisions, the creation of more jobs in Europe and the opening up of the EU to, among others, Central and Eastern Europe so that it does not become 'a club for the rich'.

Above all, Denmark has advocated that the Baltic countries should be allowed to join the EU as soon as possible. Denmark has signed the Schengen Agreement, which came into force in 2001 and allows completely free passage between a number of European countries.

The Danish Reservations towards the EU

The Danish population has always regarded the EU as an excellent forum for economic cooperation, but has only reluctantly accepted political integration.

As a result, the Maastricht Treaty of 1992 with its chapters on increased integration was only accepted at a Danish referendum in 1993, after the so-called Edinburgh Agreement had allowed Denmark to take a step back from the cooperation in four areas.

This manifested itself in reservations on the final phase of the European Economic and Monetary Union (EMU) and the euro, the defence political cooperation, an extension of the legal cooperation and union citizenship.

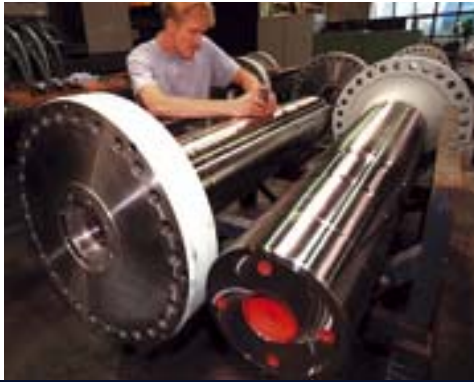
In 2000, a referendum was held to test if the population was prepared to abandon one of the reservations - the change from krone to euro. The answer was no by 53.2% of the votes.

On the other hand, many Danes now regard the defence reservation as absurd. They find it inconsistent that their country participates in the war against terrorism or peace-keeping actions when UN or NATO-led, but not if the uniform happens to say EU.

Referenda about the EU

	Yes, %	No, %
1972 Denmark's EC membership	63.3	36.7
1986 The Single European Act (consultative referendum)	56.2	43.8
1992 The Maastricht Treaty	49.3	50.7
1993 The Edinburgh Agreement	56.7	43.3
1998 The Amsterdam Treaty	55.1	44.9
2000 Denmark's participation in the Single European Currency, the euro	46.8	53.2

An employee at the wind turbine factory Vestas measuring turbine shafts. The company exports many wind turbines to the world market.
Photo: Scanpix/Erik Jepsen.



Østerby harbour on the island of Læsø, where much of Denmark's lobster taking is landed.
Photo: Scanpix/Henning Bagger.

A referendum on the EU Constitution Treaty has been postponed for the time being.

The present Government will work towards the removal of the four Danish reservations but will not call a referendum on the issue before it is almost certain that the Danes will approve.

Denmark and the euro

Despite the rejection of the euro, many Danish companies are prepared to trade in euros if their trade partner so wishes. Many shops also accept euros and prices are often displayed both in kroner and euros.

In addition, opinion polls show that the Danes now favour replacing the krone with the euro.

The voters did not reject the euro because they feared that Denmark could not meet the standards of economic health required of a Euroland member. On the contrary, Denmark has for many years been better qualified than many of the current members.

The stable economy, including an unemployment of 5.2% (2004) which is among the lowest in Europe, is primarily attributed to Denmark's change in 1982 from frequent devaluations to a fixed exchange rate policy. This tied the krone rate to the German mark. Now it is tied to the euro with a central rate of 7.46038 and an allowable fluctuation of 2.25% on either side.

As one of its first actions, the Anders Fogh Rasmussen Government in November 2001 confirmed its determination to plan economic policy, etc. so that the fixed exchange rate policy can continue.

Given its position outside the EMU and the euro, Denmark can no longer expect the same support as before from EU-partners in cases of assaults on the

krone exchange rate by international speculators. That is why Denmark has to lead an economic policy which is even healthier and more stable than if it had joined Euroland.

In 2005, the national debt was 42.7% of gross domestic product – one of the lowest figures in Europe. The foreign debt is 11.5% of gross domestic product and its settlement is going so well that Denmark is expected to be free of debt in a few years.

Trade, Industry and Exports

From the mid 1960s, industrial exports exceeded agricultural exports. A thousand-

year old farming and fishing country was thus rapidly changing into a fully developed industrial nation, where airplanes, cars and heavy weapons are among the very few items not produced. However, farming has by no means ceased. It still feeds 15 million people, corresponding to for instance the total populations of London and Tokyo.

The rapid industrial development may seem baffling, as Denmark's only natural resources worth mentioning are oil and natural gas and these were only discovered recently, in the 1960s.

However, the Danes have managed to



Denmark has been self-sufficient in energy since 1997. This is the oil rig Mærsk Jutlander in the North Sea.
Photo: Scanpix/Erik Johansen.



Piggery for free range sows. To the right are the pens where the pigs are fed in the morning and to the left the free range pigsty. Photo: Scanpix/Erik Jepsen.

extend the natural resources concept. Instead, milk, sugar beets, eggs and meat from the farms were used as natural resources.

They became the basis of a production of powdered milk, sugar, cakes, tinned meat, etc. For their processing, machines were needed, so the Danes also started producing – and exporting - these.

The export goods needed transportation. This started a ship-building industry. The ships needed painting, so a paint and varnish industry developed. The goods needed to be kept cold during transport. This created a refrigeration industry. And so on and so forth.

Seen from outside, this colossal industrial growth and constant ramification into new types of production may appear random, but in fact there was – as shown above – a strong, logical, inner coherence.

Danish Export Companies

International market leaders among Danish companies includes firms producing for instance cement-making machinery, hearing aids, enzymes for food processing and washing powder, water purification equipment, draught beer fittings, medical measuring instruments, insulin, wind turbines and much more.

The transformation into a post-industrial information society is already far advanced. Proofs of this include a large software export and the fact that service provision (public as well as private) has become by far the largest occupation, employing 38% of all workers.

An export branch that is becoming increasingly visible in the balance of payment is culture, including films such as the groundbreaking so-called Dogme films, bestseller books such as Peter Høeg's *Frøken Smilla's fornemmelse for sne* (Miss Smilla's Feeling for Snow) and music successes such as the percussion duo Safri Duo and the pop duo Junior Senior.

The Genesis of Danish Companies

Danish companies have their own genesis.

They have often sprung from a good idea or a small invention which the inventor starts producing using his own savings. In this way, industry has become dispersed all over the country.

If the inventor is in luck and has found a niche in the world market which has not previously been intensively cultivated by others, the small workshop in the village or provincial town can grow into an international corporation. This has been the development so far for companies such as Danfoss (thermostats), Grundfos (pumps) and Lego (toys).

Denmark actively participates in globalisation. Many Danish firms buy foreign companies and foreign investors are welcomed in Denmark, where both the low company tax (30%) and the quality-conscious workforce are magnetic factors.

The industrial development benefits from the excellent Danish infrastructure. As an island country, Denmark has needed to build bridges between the regions. The engineers have created aesthetic masterworks such as the Farø and Great Belt bridges and Danish bridge-builders are now in demand for instance in the Far East.

A bridge-tunnel link between Denmark and Sweden at Copenhagen and Malmö was opened in 2000. This is expected to result in the creation of a regional force field, which will be particularly attractive to pharmaceutical companies from many countries. The name Medicon Valley is already being used.

Nonetheless, the full explanation of how the farming and fishing country Denmark has turned into a fully developed industrial nation without the help of natural resources perhaps still eludes us?

From Adscription to Cooperative Movement

The last part of the explanation is the Danish workforce. In the 18th century, the Danes were a cowed people. The farm workers were serfs and not allowed to move from the landowner's property. For fear of evil powers and the dark of night,

the farms were placed in a protected cluster, far from the fields.

Through farsighted political efforts during Absolutism, adscription was abolished and the peasants liberated in 1788. This created a type of free farmer who dared to place his farm at the point of production.

The spiritual liberation was given additional impetus by N.F.S. Grundtvig. He was the father of further education for young people, especially from the country – the so-called folk high schools, the first of which opened in 1844 – where the young learned to value and use the spoken word and freedom of thought. Self-aware as they now were, they became able farmers, who also respected their neighbours, so that they could join together in groups on a cooperative basis around production, breeding and export with equal voting rights for all irrespective of the size of their land or herd.

The folk high school concept and the cooperative movement have both been imitated in many countries and are among the offers to countries receiving Danish development assistance.

The Danish Labour Market

The labour market is one of the best organised in the world. People are generally unionised on the basis of their occupation, only very rarely their religion.

Denmark opposes abusive child-labour in the developing countries. In Denmark itself, there is extensive child-labour, as 26% of children aged 7-14 have spare-time jobs, but this is exclusively at their own initiative and in order to buy the latest fashions, mobile phones, CDs, etc.

Wages and other conditions of employment such as the length of the working week and holidays are collectively agreed between the labour market parties in agreements, which are now for four years. In 2000, it was agreed to increase the annual holiday allowance from five to six weeks, which has now been introduced in large parts of the labour market.



A scene from August Bournonville's ballet *Napoli* from 1842, which was performed by The Royal Danish Ballet in Tivoli on the penultimate evening of the last millennium. Photo: Polfoto/Jakob Carlsen.

The unions appreciate Denmark's situation as a major export nation. Their nominal wage claims are restrained, so that Danish goods can compete on the world market. There is a firmly established system for resolving industrial disputes.

The Danes do not want this special 'Danish bargaining model' affected by EU decisions. Again, there is a rather reluctant attitude to the EU, but never a wish to leave.

Education

School attendance is not compulsory in Denmark, but nine years of education are. As a result, 13% of the children are taught outside the state school system in private independent schools, which may receive up to 70% government subsidy.

The elementary and lower secondary school is comprehensive, i.e. the children

are not divided up on the basis of ability or social background.

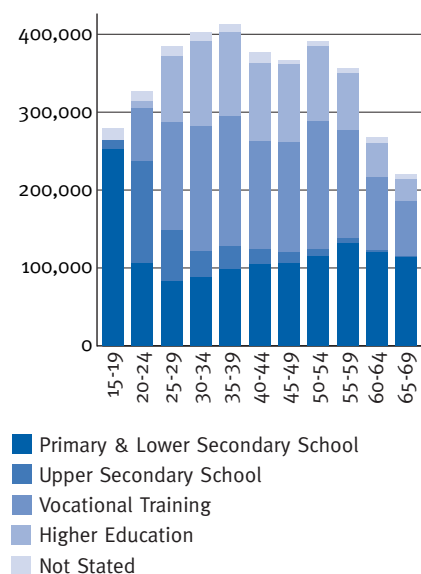
The average percentage of bilingual children, especially children from immigrant families, is 8.2%, but in some boroughs in large cities it can reach a third. Formerly, pupils wanting to continue in upper secondary school had to be vouched for by the school they were leaving. From 2001, this is no longer necessary - the pupils decide themselves. Beyond upper secondary school are five universities and many other institutes of higher education.

Almost all education is a free benefit as part of the welfare system. From the age of 18, young people receiving education may obtain public support, the so-called State Educational Grant SU (*Statens Uddannelsesstøtte*), of up to DKK 4,618 per month, so that no one is precluded from further education because of social or economic status.

Local authorities and political educational associations offer extensive evening education opportunities for adults.

Highest Completed Education

(2004)



Source: Statistics Denmark.

The Social System

The social system acts as a fine-meshed safety net under the Dane from birth to death. The many individual benefits include maternity and parent leave, which the parents may choose to share. It is regarded as an advantage - both for the individual and the exchequer - if people weakened by illness or age remain in their own homes as long as possible. Here, elderly people can receive home help from the local authority. If that is not sufficient, they are offered protected housing or nursing home accommodation.

The welfare system does not escape criticism. The hygiene at the hospitals has been criticised and improved. Treatment guarantees have been issued for life-threat-

ening illnesses such as cancer and heart disease, but nonetheless waiting times do occur. Sick people who cannot be treated in Denmark within the guaranteed time-limit are now offered treatment abroad at the public expense.

Science

The Danes have made their contribution to solving the mysteries of the universe, nature and the human body.

As examples may be mentioned that Ole Rømer (1644-1710) calculated the speed of light, that Niels Stensen (1638-1686), among other things, founded geology as a science and made important anatomical discoveries, that H.C. Ørsted (1777-1851) discovered electro-magnetism and that Niels Bohr (1885-1962) was one of the theorists who had a decisive influence on quantum mechanics and among other things made the development of nuclear weapons and the exploitation of nuclear power possible.

Thomas Bartholin (1616-1680) discovered the human lymphatic vessels and Niels Finsen (1860-1904) proved that rays of light have a healing effect on skin diseases.

In addition, Henrik Dam (1895-1976) discovered vitamin K and Johannes Fibiger (1867-1928) demonstrated that cancer can be caused by external factors, such as contact with tar products.

Literature

The Danish-Norwegian comedy writer and philosopher Ludvig Holberg (1684-1754) is often described as Denmark's counterpart to France's Molière. He introduced the European Enlightenment in Denmark and his plays with their jovial-ironic exposure of prejudices and conceit are still performed today on both Danish and foreign stages.

The fairy-tale writer Hans Christian Andersen (1805-1875) probably remains the best-known Dane in the world. It is well-deserved that one of the characters who sprang from his imagination, the



The Egg and The Swan (1958) by Arne Jacobsen are two classics of Danish furniture design. The chairs are part of the interior Jacobsen designed for his building SAS Royal Hotel in Copenhagen. Photo: Wonderful Copenhagen/Fritz Hansen.

Little Mermaid, has also become the symbol of the Danish capital, Copenhagen. Cast in bronze, she gracefully receives visitors to the city from her wet stone in Copenhagen harbour. In 2005, the bicentenary of his birth was celebrated all over the world.

The philosopher Søren Kierkegaard (1813-1855) sowed the seeds of Existentialism and is being read more and more.

Danish Nobel Prize winners include the author Johannes V. Jensen (1873-1950), whose book *Kongens Fald* (The Fall of the King) in 2000 was chosen by the population as the best Danish 20th century novel.

Karen Blixen's (1885-1962) memoirs of Africa became an international success, both as a novel and a major film. Contemporary names such as Klaus Rifbjerg, b.1931, and Peter Høeg, b.1957, also stand out.

Music, Film and Ballet

The composer Carl Nielsen (1865-1931) is becoming increasingly popular in concert halls all over the world. So is the recently discovered Rued Langgaard (1893-1952).

In the world of jazz, Svend Asmussen, b.1916, and Niels-Henning Ørsted Pedersen (1946-2005) belong to the world elite on violin and double bass respectively.

The pianist Victor Borge (1909-2000) was a much-loved entertainer all over the world. His philosophy of life was that a smile reduces the distance between people.

Danish cinema had a golden age during the silent film period, among others with Carl Th. Dreyer's (1889-1968) film about the passion and death of Joan of Arc.

In this new millennium, the spotlight is again sweeping over Danish cinema, with several directors winning Oscars and Golden Palms, including Bille August, b.1948, and a new generation of directors headed by Lars von Trier, b.1956, charging ahead with their so-called Dogme films.

Another Danish strength is television drama series. They have won Denmark Emmy Awards for series such as *Nikolaj*



Ebbe Sand scored both Danish goals when Malta was defeated 2-1 in the World Cup qualifier on 6 June 2001 at Denmark's national stadium, Parken, in Copenhagen. Photo: Polfoto/Morten Bjørn Jensen.

og *Julie* (Nikolaj and Julie), *Rejseholdet* (The Flying Squad), *Ørnen* (The Eagle), and *Unge Andersen* (Young Andersen).

Danish humour flourishes in film series such as *Olsen Banden* (The Olsen Gang) and television series such as *Matador*, which has many viewers also outside Denmark as do many Danish films for children.

Within ballet, August Bournonville (1805-1879) as ballet master at The Royal Theatre raised Danish ballet to an international standing that has not faded.

Visual Arts

Danish painters from the first half of the 19th century, the so-called Golden Age, are experiencing an international renaissance. Over the years, painters have often joined together regionally. Groups such as the Skagen Painters and the Funen Painters now have their own, well-attended museums. Asger Jorn (1914-1973) co-founded the international Cobra group (named after Copenhagen, Bruxelles and Amsterdam).

Major contemporary names include Bjørn Nørgaard, b.1947, who, among other things, has designed tapestries featuring the history of Denmark as a birthday present for Queen Margrethe, and Per Kirkeby, b.1938.

The sculptor Bertel Thorvaldsen (1770-1844) preferred to work in Rome, where his marble statues are seen for instance in St Peter's.

Design, Applied Art and Architecture

The Danes are world-famous for applied art and design within a broad spectrum of fashion, furnishing fabrics, furniture, silver-ware, porcelain and jewellery.

The silversmith Georg Jensen (1866-1935) created magnificent hollowware and cutlery.

The architect Poul Henningsen (1894-1967) explored the effects of light and designed lamps which are outstanding in terms of lighting technique and aesthetics.

Jacob Jensen, b.1926, designs radios and televisions, telephones, cars, etc., and

Denmark – an Overview

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some of his works have been exhibited at the Museum of Modern Art in New York.

The Lego toy bricks familiarise the Danes with appealing design already in the nursery.

Together with deeply quality-conscious craftsmen, furniture designers such as Hans J. Wegner, b.1914, have made Danish furniture synonymous with sophisticated design and comfort. Thousands of international customers include the UN Security Council. The sense of design also benefits less obvious products such as industrial machinery, public signage and much else.

Danish architects make their mark outside their native country as well. Jørn Utzon, b.1918, designed Sydney Opera House, Johan Otto von Spreckelsen (1929-1987) the Grande Arche in Paris, Arne

Jacobsen (1902-1971) St Catherine's College in Oxford and Henning Larsen, b.1925, the Foreign Ministry in Riyadh.

The firm of architects 3XNielsen has designed the highly acclaimed new Danish embassy in Berlin.

Sports

The Danish national sport is football and Danish players are often to be found in the line-up of great European clubs, such as AC Milan, Chelsea, Inter, etc. Other strong Danish disciplines, for instance at the Olympics, include women's handball, yachting, rowing, swimming, cycling and badminton.

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