

A DENMARK RETROSPECTIVE: FOND MEMORIES FOR ME AND 41 YEARS OF SOCIOECONOMIC PROGRESS FOR THE DANES

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It was June, 1978, and I had just arrived in Denmark for my first sabbatical leave. My former Danish wife and I had just settled in for the year with our five-year-old daughter. One day I received a call from a local social worker who informed me that my daughter was eligible for *børnepenge*, a monthly stipend that every child in Denmark receives. I told the nice lady that we were both Americans, so I did not think it was fair that we receive this money.

I assumed that my polite rejection was the end of the matter. When I looked at my first bank statement, however, I saw a deposit for \$50 in the account. At that point, I surrendered to the Danish welfare state. I was on half salary, the exchange rate for the dollar was the lowest ever, so the extra money was put to good use. appreciated. Today I would receive \$190 per month for a five-year-old child. The Danes, as well as most other Europeans, believe that the best way to support family values is for the government to invest in them.

In September, 2007, I returned for a visit, my first since my second sabbatical in 1985-86. As our plane broke through clouds and Copenhagen lay before me, many fond memories flooded back. Much of course had changed since 1966-67, my first year as a Rotary Foundation Fellow. In 1966 there were 5 million pigs and 4.5 million people. Now there are 15 million swine and 5.4 million Danes. Danish ham and cheese make almost as much money as the shipping industry, the largest in the world.

I love riding trains, and it was nice to see that most of the Danish rail lines have been electrified. There is a beautiful new subway under central Copenhagen and the suburban trains have sleek new cars and their lines have been extended significantly. Regular trains between Malmö, Sweden and Copenhagen have increased business on both sides of the Öresund, a narrow body of water that has separated Denmark and Sweden since the last Ice Age.

Trains, cars, and trucks now cross the Öresund by way of a gorgeous 10-mile-long bridge, and a new 11-mile-long bridge and railway tunnel links Zealand to Funen, Denmark's two largest islands. Gone are the old days when railcars were shunted on ferries and an overnight ferry took passengers (\$3.33 one way) from Copenhagen to Århus, the second largest city. Future bridges from Zealand to Germany and Jutland will mark the end of most of Denmark's famous ferries, and make it possible to drive unobstructed from Southern Italy to Stockholm.

When I was in Denmark as a Rotary Fellow, I joined in protests against a Swedish nuclear power plant that can be seen on a clear day from Copenhagen. I can still remember the chant: "Hvad skal væk? Barsebäk!" which translates as "What should go? (The plant at) Barsebäk." After more than 40 years, the Swedish government has decided to dismantle the facility.

During my first stay, there was only one windmill generating power for a hippie commune in Jutland. Now giant wind turbines dot the landscape and produce 20 percent of the nation's electricity. Economists predict that by next year the wind farms will no longer require a state subsidy. The Danes' share of North Sea oil makes them energy self-sufficient with some left to export.

Copenhagen's Strøget, the first (1962) and longest pedestrian street in the world, was my favorite hangout in 1966-67, primarily because the International Student Centre was located there. As a healthy 22-year-old male, I must confess that my virtue was not sufficient to prevent me from visiting the many porno shops along Strøget. Even then, as I heard mostly English and German being spoken, it was obvious that most of the customers were not Danes. By the time of my third stay in Denmark, all the porno shops had disappeared along the main streets of Copenhagen.

Denmark was the first country to legalize pornography in 1965, followed by Sweden in 1970 and Germany in 1973. After legalization, Danish criminologists were able to detect a small but significant decline in sex crimes in their country. With regard to the connection between rape and pornography, a study showed that incidents of rape in Denmark, Sweden, and Germany remained under 10 per 100,000 between 1964-1984, while rapes in the U.S. rose from 10 to 35 per 100,000 during the same period.

Emphasis on personal liberty and responsibility is also found in Danish sex education, promoted with very explicit student manuals. Although some Danes believe that their programs have a long way to go (they point to Sweden as a more successful model), teen pregnancy rates have been cut in half over the years. The U.S. teen pregnancy rate of 53 births per 100,000 is worse than that of India, the Philippines, and Rwanda. In stark contrast is the Danish and Swedish rate of seven per 100,000.

Danish investment in human capital is also heavy in education. European and Asian students score consistently higher on standardized tests than American pupils. It is significant to note that European teachers are heavily unionized. Even Danish private schools, where 90 percent are union teachers, get full state support as long as their teachers are accredited by the education ministry. There is no tuition at Danish Universities and students receive \$800 per month as long as they keep up their grades.

Education is a key to upward mobility, and the U.S. used to have the best high school graduation rate in the world. By 2001, however, it had slipped to 14th place, when only 78 percent students received a high school diploma. The top five countries-- Japan, Hungary, the Netherlands, Germany, Korea, and Denmark--graduated 90-95 percent.

In 1966, only 8 percent of Danish students attended gymnasium, the high quality European university preparatory schools. At that time Denmark had only four universities, but now it has seven serving 5.4 million people. While the U.S. workforce has 33 percent higher education graduates, the Danish portion has now risen to 40 percent.

After teaching Danish university students for one year (1971-72), and then comparing them to my American students, I came to the conclusion, one backed up by current research, that Danish students enter university with a better a general education than most American college graduates attain. For example, I could assign my Danish students readings in English, German, and French, and my students, much to my distress, would frequently correct my translations from a German text that I had assigned.

The American G.I. bill helped build the American middle class in the 1950s, and because Danes believe that all students regardless of military service should be supported, they have one of the highest social mobility rates in the world. While only 25 percent of Americans born in the lowest economic 20 percent move out of the bottom, a full 40 percent of Danes do. There are fewer and fewer Andrew Carnegies: only 7 percent of Americans now make it from the bottom to the top 20 percent.

The Danish government also invests heavily in the arts. Danish ballet has enjoyed an international reputation since the late 18th Century, and several hundred dance and theater students enjoy tuition-free training at the Royal Theatre. During my recent trip, I enjoyed a Danish radio orchestra performance of Haydn's *Creation* with lead singers from Denmark, Germany, and the U.S. It is the sign of high culture when the national radio has its own orchestra and chorus, so that one more often hears live performances rather than recorded ones.

Whenever my daughter and I lived in Denmark, we received the same medical coverage as any Dane. America spends more than twice as much per person than Danes do for medical care, but we have some of the poorest health statistics in the industrialized world. Recent surveys demonstrated that 91 percent of Danes were satisfied with their health care, but only 40 percent of Americans said that they were. American infants die at a rate of 6.9 per 100,000, while only 4.4 Danish babies do. For every three obese Americans, there is only one Dane who is overweight, even with a diet heavy in dairy products.

Danish politics has moved right since the election of the first conservative government in 1984. When I first arrived in 1966, the Social Democrats and their socialist allies, architects of the European welfare state, had just won a great victory, but since then they have been out of office most of the time. In the 2001 election the Social Democrats, for the first time since 1924, did not garner the largest number of votes. Danish voter turnout is an amazing 80-90 percent.

Center Right governments have preserved the welfare state with only minor revisions. Parents now have to pay for part of their children's day care; those who refuse to look for a job no longer get unemployment benefits; and the average tax

burden has leveled off at 50 percent. Low business tax rates have always encouraged private enterprise.

High progressive taxation and strict governmental regulation have not destroyed European economies. In a recent study on economic competitiveness by the World Economic Forum, seven European countries were ranked in the top ten. Sweden and Denmark were third and fourth, and the U.S. had dropped to sixth. *The Economist* magazine has also rated Denmark as the least corrupt and most business friendly country in the world. Denmark is currently running a budget surplus of .65 percent of GDP, while the U.S. is running a budget deficit of 4.5 percent of GDP.

In 2007 percentage growth in GNP for countries on the Euro was 2.7 percent compared to the U.S. rate of 2 percent. Denmark and Sweden still have their own currencies, which are just as strong as the Euro, rising every day of my recent trip. This year Sweden has done better than her neighbor with a strong 3.5 percent increase in GNP, while Denmark's growth has been 2.1 percent with a very low 3.3 percent unemployment rate. Swedes and Americans are unemployed at the same level of 4.7 percent. The Danish government invests much more money (20 times more than the U.S. per capita) in job training programs and obviously gets good results.

The U. S. unemployment rate would be at least one percent higher if our incarceration rate were as low as Europe's. Tens of thousand of our nonviolent offenders should be rehabilitated and integrated back into society. In 2002 there were 668 prisoners for every 100,000 Americans. In stark contrast Danish, Finnish, and Norwegian prisons held 59 inmates per 100,000. A general web search revealed that while as many as two thirds of American criminals reoffend, the German and Danish figure is 28 percent.

One sign of economic strength is a nation's currency. In 1966, before President Nixon removed the dollar from that gold standard, the Danish kroner at 13 cents was just as steady as the German mark at 25 cents. At the time of my first sabbatical in 1978-79, the kroner had risen to 20.5 cents only to fall to a low of 9 cents during my second sabbatical in 1985-86. During my most recent trip, the kroner was rising every

day, getting very close to 19 cents. Nobel Prize winners used to get a \$900,000 prize, but now it is worth \$1.5 million.

The U.S. per capita GDP is still the highest in the world at \$39,732. The Danish figure is \$31,932, but a number of factors weigh in favor of the Danes. First, like their fellow Europeans, they work far fewer hours than we do and take two or three weeks more vacation. Second, if you take the super rich out of the calculation, then average Danish wealth goes way up. With a poverty rate of 4.3 percent, Denmark is tied with the Czech Republic for the lowest rate. The U.S. rate of 17.1 percent is second worst behind Mexico.

Critics say that one cannot compare a small 5.4 million-member economy with 300 million Americans. But socialized medicine gets the same results in Germany and France, and the successful U. S. job training programs have always administered from Washington, D. C. Tiny Singapore and Hong Kong are also praised for their prosperity, but no one demands that they be dropped from lists of successful economies. The U. S. always compliments Israel's for its free elections and economic progress, but it has only 7.2 million people.

Others have said that the Danish advantage is due to a homogenous population with no ethnic divisions, but over the last 20 years Denmark has received more refugees per capita than any other country in the world. Since the start of the Iraq War, Sweden has invited 70,000 Iraqis to stay in their country, whereas the U.S. has accepted just under 600. The hospitality of 8 million Swedes would be the equivalent of 300 million Americans accepting 2,625,000 Iraqis.

One of my first friends in Denmark was Christian Palestinian, and I understood for the first time what it was like to be "stateless." In 1967 I used to double date with an Iranian fellow who first trained as a Danish ship's captain, but he is now a kindergarten teacher. My taxi driver from the Copenhagen airport was a young Pakistani, whose parents had come to Denmark with him and siblings in the 1970s. His sister is already a certified public accountant, and he and his brother are studying to be engineers.

There are, however, Danish Muslims, who have embraced radical Islam, and Danish police have just arrested a group involved in a terrorist plot. Just as in other

European countries, there has been, unfortunately, a nativist backlash against these immigrants. The populist Danish People's Party is now the third largest party, almost doubling its seats in seven years, and the Center Right government depends on its votes. Party leader Pia Kjaersgaard rejects Samuel Huntington's idea about the clash of civilizations in a provocative way: "There is only one civilization, and that is ours." Her colleague Mogens Camre continues the attack: "All Muslim communities are, by definition, loser communities."

The most interesting development in Danish politics is the appearance of a new party called New Alliance. It is already running third in the polls among the seven parties in the Parliament. The most amazing fact about this party is that it is led by a Syrian immigrant named Naser Khader, a current member of Parliament, who wishes to counter the anti-immigration policies of the Danish People's Party. He also wants to reduce the average tax rate to 40 percent, but increase foreign aid and channel much of the money to Muslim countries.

The European welfare states and others like them around the world represent what some have called the "Third Way." It is a political philosophy that tries to build a middle way between free market capitalism on the one hand and socialism on the other. From my experience the Golden Mean works very well in personal ethics, and every socioeconomic indicator demonstrates that it also works best for building harmonious and prosperous human communities.