

# DENMARK

## A Troubled Welfare State

---

Kenneth E. Miller



# DENMARK

## A Troubled Welfare State

---

Kenneth E. Miller

Westview Press  
BOULDER • SAN FRANCISCO • OXFORD



*Westview Profiles/Nations of Contemporary Western Europe*

*Photo credits:* Christiansborg Palace (copyright Lennard) and the countryside on Langeland (appears on cover; copyright the Danish Tourist Board), courtesy of the Danish Tourist Board. Photos of Queen Margrethe II, the political meeting, and senior citizens' housing (copyright Nordisk Pressefoto A/S), courtesy of Nordfoto.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the publisher.

Copyright © 1991 by Westview Press, Inc.

Published in 1991 in the United States of America by Westview Press, Inc., 5500 Central Avenue, Boulder, Colorado 80301, and in the United Kingdom by Westview Press, 36 Lonsdale Road, Summertown, Oxford OX2 7EW

Library of Congress Cataloging-in-Publication Data  
Miller, Kenneth E.

Denmark : a troubled welfare state / Kenneth E. Miller.

p. cm. — (Westview profiles/Nations of Contemporary Western Europe)

Includes bibliographical references and index.

ISBN 0-8133-0834-8

1. Denmark—Economic policy. 2. Denmark—Social policy.  
3. Welfare state. I. Title. II. Series.

HC355.M55 1991

361.6'5'09489—dc20

90-20803  
CIP

Printed and bound in the United States of America



The paper used in this publication meets the requirements  
of the American National Standard for Permanence of Paper  
for Printed Library Materials Z39.48-1984.

10 9 8 7 6 5 4 3 2 1

---

---

## Acknowledgments

I have had the opportunity to visit Denmark a number of times and to learn about the country through conversations and interviews with many people. I owe them all a debt of gratitude for their time, patience, and information. Especially helpful for this book have been Birte Weiss, M.F.; Viggo Fischer, M.F.; Poul Vorre of the Ministry of Social Affairs; Jens Chr. Pedersen of the Trade Union Federation; Annette Wegener and Jørgen Peter Skælm of the Ministry of Cultural Affairs; Helle Jacobsen and Vibeke Abel of the Equal Status Council; Marit Bakke, now of Norsk Rikskringkasting; and those in various government and nongovernment organizations who sent me reports and other publications about activities in their areas.

I am grateful to the Royal Danish Embassy Information Office in Washington, D.C., for its assistance in securing photographs for the book and to Bent Skou and Ellen Pittman of the embassy for their help in arranging my enjoyable stay at Nordisk Kollegium while I was conducting research in Copenhagen in the fall of 1988. Financial support from Rutgers for some of the research came from Dean Donald Stein of the Graduate School-Newark, Dean David Hosford of the Faculty of Arts and Sciences-Newark, and the President's Coordinating Council on International Programs. Grants in earlier years from the Rutgers Research Council also contributed to this work.

Some parts of the book are a family affair. My daughter, Susan, aided with information and suggestions on the Danish criminal justice system, and she supplied good Danish beer to celebrate the book's conclusion. My wife, Marilyn, acted not only as a friendly and encouraging critic and editor but also eased a hectic research schedule by conducting several interviews in Copenhagen. I am grateful to everyone for their assistance. The responsibility for any errors is mine, not theirs.

*Kenneth E. Miller*

---

---

# Contents

|  |           |
|--|-----------|
| <i>List of Tables and Illustrations</i>                      | xi        |
| <i>Acknowledgments</i>                                       | xiii      |
| <br>   |           |
| <b>1 Introduction</b>  | <b>1</b>  |
| <br>   |           |
| <b>2 The Nation and Its People</b>                           | <b>4</b>  |
| Geographical Features, 4                                     |           |
| The People, 7  |           |
| Social Conditions, 10  |           |
| The Faroe Islands, 13  |           |
| Greenland, 14  |           |
| <br>   |           |
| <b>3 History</b>   | <b>17</b> |
| The Monarch and the Nobility, 18                             |           |
| Royal Absolutism, 22   |           |
| The Struggle for Constitutional Reform, 23                   |           |
| Continuing Political Problems, 1864–1939, 25                 |           |
| Denmark During World War II, 27                              |           |
| Postwar Problems, 32   |           |
| Times of Change: Political, Social, and<br>International, 33 |           |
| <br>   |           |
| <b>4 Government</b>  | <b>38</b> |
| The Constitution, 38   |           |
| The Monarchy, 38   |           |
| The Folketing, 41  |           |
| The Legislative Process, 44                                  |           |
| The Folketing and the Public Purse, 46                       |           |

|          |  |            |
|----------|--|------------|
|          | The Referendum, 46                                       |            |
|          | The Folketing and the Cabinet, 47                        |            |
|          | The Ombudsman, 48  |            |
|          | The Parties in the Folketing, 50                         |            |
|          | Forming a Government, 51                                 |            |
|          | The Prime Minister and the Cabinet, 54                   |            |
|          | Courts and Judges, 56                                    |            |
|          | The Rights of the Individual, 62                         |            |
|          | Local Governments, 64                                    |            |
| <b>5</b> | <b>Politics and Elections</b>                            | <b>66</b>  |
|          | The Electoral System, 66                                 |            |
|          | The Political Parties, 68                                |            |
|          | Voting Behavior, 77                                      |            |
|          | Political Combinations and Trends, 79                    |            |
| <b>6</b> | <b>Interest Groups and Public Policy</b>                 | <b>81</b>  |
|          | The Major Economic Organizations, 81                     |            |
|          | Local Government and Other<br>Interest Organizations, 85 |            |
|          | The Women's Movement, 88                                 |            |
|          | Interest Groups and the Political System, 92             |            |
| <b>7</b> | <b>The Welfare State in Denmark</b>                      | <b>99</b>  |
|          | Social Welfare Today, 101                                |            |
|          | The Welfare State in Trouble, 106                        |            |
|          | Housing, 108   |            |
|          | Consumer Protection, 112                                 |            |
|          | Environmental Protection, 114                            |            |
|          | Crime, 118   |            |
| <b>8</b> | <b>The State and the Economy</b>                         | <b>122</b> |
|          | Economic Problems and Policies, 124                      |            |
|          | The Tax System, 128                                      |            |
|          | Government and Business, 130                             |            |
|          | Government and Labor, 132                                |            |
|          | Government and Agriculture, 138                          |            |
|          | Government and Fisheries, 141                            |            |

|           |   |            |
|-----------|---|------------|
| <b>9</b>  | <b>Government and Culture</b>           | <b>143</b> |
|           | Government and the Arts, 145            |            |
|           | Sports, 151                             |            |
|           | Religion, 152                           |            |
|           | Education, 154                          |            |
|           | The Press, Radio, and Television, 161   |            |
| <b>10</b> | <b>Denmark and the World</b>            | <b>165</b> |
|           | European Security Problems, 166         |            |
|           | Denmark and the United Nations, 169     |            |
|           | The Making of Foreign Policy, 171       |            |
|           | National Defense, 173                   |            |
|           | Denmark and the European Community, 175 |            |
|           | Denmark and Nordic Cooperation, 181     |            |
|           | <i>Notes</i>                            | 187        |
|           | <i>Further Readings</i>                 | 197        |
|           | <i>Acronyms</i>                         | 205        |
|           | <i>About the Book and Author</i>        | 207        |
|           | <i>Index</i>                            | 209        |

---

---

## *Tables and Illustrations*

### *Tables*

|  |    |
|--|----|
| 5.1 Folketing elections, 1988 and 1990 | 68 |
|--|----|

### *Maps*

|         |   |
|---------|---|
| Denmark | 5 |
|---------|---|

### *Photographs*

|   |     |
|---|-----|
| Countryside on Langeland                            | 9   |
| Queen Margrethe II                                  | 40  |
| Christiansborg Palace and a part of Højbro Plads    | 42  |
| A political meeting of the Conservative party, 1984 | 71  |
| Senior citizens' housing, Charlottenlund            | 111 |



# 1

---

## *Introduction*

Denmark is a small country, and by no stretch of the imagination is it a major actor on the world stage. To many people, its mention brings thoughts of Hans Christian Andersen, the Little Mermaid, Danish pastry (a term not used in Denmark), or, perhaps, Isak Dinesen's Gothic tales or Victor Borge's monologues. More informed observers may think of the nation as one of the Scandinavian "social laboratories" where programs of the welfare state were pioneered.

It is certainly true that for many years Denmark has offered the world an outstanding example of political democracy and social progress. Its people have had a passion for liberty and social justice and have adopted the goal set forth by the nineteenth-century poet and theologian N.F.S. Grundtvig: a nation where "few have too much, and fewer have need." At the beginning of the twentieth century, Denmark was hardly considered one of the world's advanced states. Today, however, the freedom and openness of its society, its quest for equality, and its public policies are often admired.

But Denmark is no utopia, and in recent decades there have been political, economic, and international challenges to its governmental stability and social gains. By the 1970s, through measures adopted over an eighty-year span, Denmark had become an advanced welfare state, providing many services for its people along with a heavy tax burden to pay for those services. Then both economic and political adversity struck. The oil price increases by the Organization of Petroleum Exporting Countries (OPEC) and the consequent international recession hit Denmark hard, dependent as the country is on its export trade. Welfare costs that could be borne in a thriving economy became heavier with economic decline. Taxes and public spending were high; bureaucracy was growing; and critics of social, economic, and cultural policies became more vociferous. A revolt against taxes, bureaucrats, and the existing political party system came in the parliamentary election of 1973, when voters deserted their old allegiances and gave new political parties (notably

the Progress party of Mogens Glistrup) 25 percent of the seats in the Folketing, the Danish parliament.

Since 1973, governing Denmark has been extremely difficult. Instead of four or five parties in parliament, now there are often ten or eleven. No coalition has been able to put together a majority, and elections have been frequent. The minority cabinets in office since 1982 have usually been able to work out compromises on domestic legislation, but sustained action to meet Denmark's serious economic problems has been very difficult to achieve. Political decisions that used to be channeled through the "four old parties" and the traditional interest organizations (business, labor, and agriculture) are now affected by new political parties and grass-roots organizations (environmental, consumer, peace, feminist, and others). On international questions involving policies of the North Atlantic Treaty Organization (NATO), defense and disarmament, and some European Community issues, a parliamentary majority from the opposition parties often prevailed over the cabinet until 1988.

In its foreign relations Denmark has moved in the past century from neutrality to alliance and from economic independence to membership in the European Community. After its defeat by Prussia in 1864, the nation chose to be a peaceful neutral rather than to become involved in European politics. Although disputes over security arrangements continued, the basic policy became neutrality and disarmament. The country remained a bystander during World War I, but neutrality proved no safeguard against the threat of Nazi Germany. The Nazi invasion and occupation during World War II stimulated a change in outlook, and, after considerable debate, Denmark joined NATO in 1949. Much sentiment for pacifism and neutrality remained, however; although majority support for NATO membership has continued, Danish policies within the alliance have often seemed to other NATO states faint-hearted or inadequate. As left-wing political parties grew stronger in the 1970s and 1980s and as the dominant Social Democratic party, a NATO advocate, lost ground and modified its stand on some policies, Denmark's role in the alliance became a troubling issue.

To the disagreements on NATO has been added a deeper division: that over membership in the European Community (EC). Although the question was legally resolved in 1972 when a substantial majority of Danes voted in a national referendum to join the Community, a large segment of the population and a number of political parties continue to oppose membership. The initial controversy cut across party lines, divided the trade union movement, and left a residue of political bitterness and antagonism. Participation in the EC and the continuing arguments about it affect the party system, national economic and social policies, and the policy-making process. Legislation on agriculture, fisheries,

conditions of trade, patents and copyrights, and so on, must be enacted in conformity with EC guidelines.

The Denmark of the 1990s is in many ways a sharp contrast to the Denmark of fifty years ago. Contrary to its twentieth-century beginnings as a neutral in world politics, detached politically (if not economically) from Europe and interested primarily in Nordic regional cooperation, the nation has become a member of NATO and of the European Community. From the model of a politically stable, advanced welfare state, with a broad consensus for social programs, the nation has become a fragmented and divided polity. These international and domestic changes have profoundly affected the level of agreement in society, brought controversial issues to the public agenda, and stimulated the formation of new political parties and new kinds of interest organizations and popular movements. Decision making is more complicated, and some outsiders have even said that Denmark has become ungovernable.

That judgment, however, is too extreme. Danish cabinets do not collapse like houses of cards. Controversies and divisions exist, but Denmark remains a vibrant democratic society with a rich cultural life. The welfare state endures, although there have been marginal changes and some reductions in government expenditures. Pioneering efforts have been undertaken in fields like consumer protection and the promotion of equal rights for women. New departures, such as economic democracy, are widely debated. Denmark remains a prime example of the "Scandinavian model," that mix of social welfare, economic planning, labor market and industrial relations policies, and political democracy that seeks to provide the good life in a modern industrial society.

The story of Denmark is, therefore, one of stability and change; of a welfare state in times of challenge and adversity; and of a small nation that, though buffeted by international political and economic storms, strives to maintain its own identity, autonomy, and domestic freedom.

# 2

---

---

## *The Nation and Its People*

---

### GEOGRAPHICAL FEATURES

---

The glaciers were the architects of the Danish landform. Their slow retreat (by about 10,000 B.C.) and the subsequent upheavals, submergences, and levelings of the earth shaped the contours of the landscape. The kingdom today consists of Denmark proper—an archipelago with the peninsula of Jutland (Jylland) and 406 islands, 90 of which are inhabited—plus the Faroe Islands in the North Atlantic, about 200 miles (320 kilometers) north of Scotland, and the huge island of Greenland. Jutland and its neighboring islands to the east comprise an area of some 16,600 square miles (43,000 square kilometers, which is slightly larger than Switzerland and about twice the area of Massachusetts), with Jutland itself providing nearly 70 percent of the land area.<sup>1</sup> The largest islands are Funen, or Fyn (1,152 square miles, or 2,984 square kilometers); Zealand, or Sjælland (2,709 square miles, or 7,015 square kilometers); and Lolland (480 square miles, or 1,234 square kilometers). Bornholm, in the Baltic some 90 miles (145 kilometers) to the east of Denmark and 22 miles (35 kilometers) off the south coast of Sweden, is considerably smaller (227 square miles, or 588 square kilometers). Excluding Greenland's nearly 840,000 square miles (2,175,590 square kilometers), Denmark is the smallest of the Northern countries.<sup>2</sup>

The nation's only land frontier, with the Federal Republic of Germany, is 42 miles (68 kilometers) long; but its total coastline amounts to more than 4,500 miles (7,240 kilometers), about one-sixth of the earth's circumference. No place in Denmark is more than 33 miles (53 kilometers) from the sea. Aside from Germany, Norway (125 miles, or 201 kilometers, away across the Skagerrak) and Sweden (12 miles, or 19 kilometers, away, over the Sound) are Denmark's closest neighbors.

The topography is characterized by glacial moraine deposits that form undulating plains and gently rolling hills. Essentially the surface is flat; the highest elevation—Yding Skovhøj in East Jutland—is only 568 feet (nearly 175 meters) above sea level. (There is a mountain, called



Himmelbjerget, or Heaven's Mountain, all of 490 feet, or about 150 meters, high, near Silkeborg in Jutland's lake district.) The sea has always been a dominant influence in Danish life. From the North Sea to the west of Jutland, the Skagerrak divides Denmark from Norway; the Kattegat and the Sound (Øresund) separate Denmark and Sweden. The waters of the Great Belt (Storebælt) are between Zealand and Funen, and those of the Little Belt (Lillebælt), between Funen and Jutland. The country's insular nature has made maritime occupations like fishing and shipbuilding important since the days of the Vikings. Its location, at the intersection of the east-west sea routes connecting the Baltic and the North seas and the north-south land routes between Scandinavia and Germany, has made the nation the "crossroads of Europe" ever since the Bronze Age. Through this region have moved ideas, trade, and, occasionally, armies.

The surrounding waters temper the climate to Denmark's advantage. The Gulf Stream moderates the winters so that, though gray and misty, they are not as severe as in other countries of the same latitude, and the Baltic separates Denmark from the continental climate of Eastern Europe. Copenhagen, the warmest of the Northern capitals, had an average temperature of 49 degrees Fahrenheit (9.4 degrees Celsius) in 1988, with the coldest month, March, averaging about 36 degrees (2.1 degrees Celsius) and the warmest month, July, averaging about 64 degrees (17.8 degrees Celsius). Although the climate is not ideal for agriculture (the rainiest season is during the harvest months), the relatively mild winters allow farm animals to stay in pasture for much of the year, and the growing season is fairly long. Because of the small size of the country there are few regional differences, though the west tends to be wetter and the east colder in winter. It can rain any day of the year—and sometimes seems to.

Denmark's basically insular nature has made the building of bridges and the provision of ferries vitally important in linking the various parts of the country. Ferry service is provided across the Sound, the Great Belt, and the Kattegat. The Storstrøm Bridge, built in 1937 to connect the islands of Zealand and Falster, was for many years the longest bridge in Europe, measuring nearly 2 miles (3,211 meters). The Little Belt Bridge joined Funen and Jutland. In 1970 a suspension bridge was built near the Little Belt Bridge to help handle the increased traffic flow. A new bridge across the Great Belt between Zealand and Funen is scheduled for completion by 1996.

Sixty percent of Denmark's area is in arable lands and gardens, with forests accounting for only 11 percent of the territory. The farmland produces mainly fodder crops, although grain (primarily barley but also some wheat), sugar beets, and potatoes are also important. In 1988 there were some 84,000 agricultural holdings, a sharp drop from more than

184,000 in 1951. Moderate-size farms are still the rule, with one-third of them under 37 acres (15 hectares). Only about 3 percent of the farms are 250 acres (100 hectares) or larger.

It is indeed fortunate that the climate favors Danish agriculture, for raw materials needed for industry are almost entirely lacking. There are no metals, no coal, and no water power of any significance. Until the early 1980s Denmark was heavily dependent on imports of oil and other energy sources—in 1972 those imports accounted for 98 percent of all energy consumed, with oil alone accounting for more than 90 percent. The discovery and exploitation of oil and natural gas in the Danish sector of the North Sea, about 130 miles west of Jutland, has changed the energy picture considerably. Today domestic production covers 60 percent of total consumption of oil and natural gas, with 85 percent coverage expected in the near future.<sup>3</sup> Aside from oil and gas, about the only raw materials in good domestic supply are chalk, limestone, and clay. As a result, Denmark must import the essentials for its industry and rely on its skilled population to compensate for deficiencies in raw materials.

### **THE PEOPLE**

---

Denmark is inhabited by a vigorous and energetic people. Though the population has never been large, it has contributed to the world many notable individuals in the arts and sciences. Among Danish writers, composers, artists, and philosophers have been Hans Christian Andersen, Søren Kierkegaard, Carl Nielsen, Isak Dinesen (Karen Blixen), Bertil Thorvaldsen, Ludvig Holberg, Martin Andersen Nexø, Johannes V. Jensen, and William Heinesen. Prominent scientists have included Tycho Brahe, Hans Christian Ørsted, August Krogh, Henrik Dam, and Niels Bohr. Worldwide audiences have enjoyed the comedy of Victor Borge and the dancing of Peter Martins.

At the end of 1989 the population of Denmark (excluding the Faroes and Greenland) was 5,135,409. Projections show a slow population growth into the twenty-first century and then a gradual decline to a number smaller than today's, with 4,760,000 as the estimated figure for the year 2025. The national birth rate declined in the 1930s, rose in the 1940s, then declined again and reached its lowest point in the 1980s. In 1988 it was 11.5 per thousand inhabitants, and the death rate was also 11.5. Life expectancy is now 71.8 years for men and 77.7 years for women. Within the population women outnumber men by about 74,000. Children below the age of fifteen make up nearly 18 percent of the present population, and people over the age of sixty-five constitute 15 percent of it (up from 7 percent in 1935).

More Danes got married in the 1980s, and more also entered into "paperless" marriages, or consensual unions: living together without having had a legal ceremony.<sup>4</sup> Weddings seem to be returning to favor, with an increase in the number each year since 1982. In addition, the number of those choosing church weddings, rather than civil ceremonies, has been growing. Along with changes in the marriage pattern has come an increase in the number of extramarital births, in 1988 amounting to 45 percent of all live births. The annual number of divorces has remained fairly stable in the 1980s but shows a twofold increase over the average in the 1960s. Abortions peaked numerically in 1980 and then began a gradual decline, with a rate of 4.1 per 1,000 inhabitants in 1987. (This was the same as the Swedish figure, a little higher than the Norwegian, and higher than those in Iceland and Finland.)<sup>5</sup> The suicide rate in Denmark is high, twice that in the United States, but for reasons that seem unconnected to the impact of the welfare state on the individual, which some critics see as the culprit.<sup>6</sup>

Denmark is the most densely populated of the Scandinavian countries, with 308 persons per square mile (119 per square kilometer). (Norway has 34 per square mile—13 per square kilometer—and Sweden, 49 per square mile—19 per square kilometer.) The people are not evenly distributed throughout the land; the density increases from west to east. There has been a growing migration from the farms to the cities and from the smaller islands to the larger ones. By the 1920s nearly half the Danes lived in cities, and by the 1980s this figure was more than 80 percent. Presently, fewer than 2 Danes out of 20 are engaged directly in agriculture, forestry, or fishing; 7 out of 20 work in manufacturing or commercial establishments; and 8 out of 20 are employed in the service sector. The number of women working outside the home has been rapidly increasing.

Around one-quarter of the total population live in the capital, Copenhagen, and its suburbs, which had 1,343,916 people in 1988. Only three other cities—Århus, Odense, and Ålborg—have more than 100,000 people. Despite the urban concentrations a great many Danes still live in small towns: Of some 1,400 local units with populations of more than 200, nearly 1,200 had fewer than 10,000 inhabitants. Copenhagen and the other larger cities have experienced a decline in population as the move from the central cities to the suburbs continues.

Among Danish cities Copenhagen predominates, and not just because of its size or its role as the national capital. True, it is the center of government and politics, with the Folketing (parliament) at Christiansborg, the royal palace of Amalienborg, the Supreme Court, and the administrative departments. But it is also the center of business and industry (being the home of about one-third of Danish industry), the





Countryside on Langeland. Along with mechanization and modern buildings, centuries-old farm traditions still thrive. Thatched and half-timbered farm buildings are in good repair. Many are admirably constructed and have been in family possession for generations. (Photo by Ole Akhøj)

leading port in Northern Europe, and a transportation crossroads with a major international airport at Kastrup. It is a center for culture and entertainment, too, with the Royal Theatre presentations of opera, ballet, and drama; the jazz clubs; and the world-famous Tivoli amusement park. Often called the "Paris of the North," Copenhagen has also been less flatteringly described as "a large head too big for a small body."

Other cities have their importance and attractions as well. Århus, second largest city and frequently referred to as Jutland's capital, has an important university. Ålborg, located within a sheltered fiord, is an industrial center, known, among other things, for its production of Ålborg Akvavit, a fiery liquor that is a national favorite. Odense, Hans Christian Andersen's birthplace, is the principal city of Funen and also a university center. Esbjerg, Denmark's "gateway to the west," has a deep-water harbor constructed in the 1870s and is a major fishing and general cargo port, with nearly half of the nation's food exports passing through it. A smaller town in Jutland, Billund, is famous with children throughout Europe for Legoland, a miniature world that includes castles, villages,