

Welfare Hotspots on the mare balticum

There is no region on the globe with such a concentration of welfare states in such a small area as on the Baltic Sea. The number of environmental pioneers meeting in the same area is equally high. The gold medal goes either to Sweden or to Denmark, depending on the point of view, occasionally also to Norway.

Denmark has again just made another top-position – as the state with the lowest child-poverty. As regards environment, the whole country is looking forward excitedly to the next Climate Change Conference (in december 2009 in Copenhagen) and excels itself in ideac competitions, for example on “climate-architecture”. All modern countries expect the Copenhagen Conference to be a similar breakthrough as 12 years ago Kyoto. Denmark’s minister for climate and energy, Connie Hedegaard, has no problem recommending her country as a model for imitation: “We can show that it is possible to meet the climate protection targets while still prospering economically. (...) The fastest-growing economic sector last year was the sector of energy efficiency and renewable energy solutions. Although the crisis could already be felt in other areas, this sector had a growth of 18 percent” she said to the international press recently.

With 5,5 million inhabitants, Denmark is probably just big enough to implement a credible, convincing and realistic pilot scheme on issues of environmental policy and growing prosperity. For the Danes this does truly not seem to be a mere race for gold or silver. Two or three generations ago they were still predominantly agrarian in nature but have since caught up vigourously with the top of the world as a modern industrial country.

This vitality has obviously been preserved along Belt and Öresund: the energy saving already started in the seventies; in 1985, the Folketing (=parliament) decided not to build any nuclear power stations, in contrast to its neighbours Germany and – meanwhile again – Sweden. Back then it was part of the mainstream but flowing in a different riverbed, insofar as there was no preference for an increased use of fossil fuels associated with it. Denmark rather focussed without delay on renewable energy, for lack of hydropower above all on wind energy and biomass. Today the renewable energies have reached a level of 20 percent of the Danish electricity consumption, more than double that of Germany and double that of France (without counting hydropower, to allow comparison).

In 1992 the country imposed the CO₂ tax on coal and oil (not on petrol or electricity). Private consumers pay around 12 euro per ton of CO₂, industry approximately half (but the latter gets restitutions that can reach 100 percent if the energy costs total 3 percent of the added value). The neighbour Sweden followed soon, and thus the Baltic Sea region has long since produced practical results. The French Prime Minister, however, could these days, so 17 years later, only just announce a similar climate tax.

One of the reasons for the success will certainly be that Denmark hasn't made up for budget deficits with the CO2 tax revenues but has set great store by actual CO2 reduction. This "waiver" may have been eased by the – allegedly – high Danish tax rates; nominally they are among the highest in the world. But the country records a budget surplus almost always since the beginning of the decade.

The quality of the Danish "model" is also testified by the fact that the country belongs to the five world's best in terms of competitiveness. It is no wonder, then, that in the mentioned OECD-study on child poverty the best mark went to the Belt, well ahead of other developed states like Holland, Italy or Germany. The advance of Denmark is so enormous, that even statistical adjustments did not affect it. [->OECD-graphics, see below]

Corresponding to this, the Danish educational system can hold its ground well in international comparison. Among the 20 OECD-states Denmark invested, behind Norway, the second highest amount in the education of its young generation; that means 187.000 \$ up to the age of 18, whereas Germany makes do with 144.500 \$ and the OECD-average only reaches 125.000 \$.

Beyond all comparisons of marks: in Zealand and Jolland and Jutland etc. people have obviously internalized more deeply than elsewhere that, more than ever, education is the best investment in the future of a country, especially if it has no raw materials. As long as it stays that way, the welfare-hotspot at Belt and Sund might well stay. Different calculation bases like the HDI don't change this, at least not fundamentally.

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More information

<http://hdr.undp.org/en/statistics/>

<http://www.sueddeutsche.de/,ra3l1/wirtschaft/334/487737/text/>