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1 – DENMARK, AND THE US, IN 2010

Denmark is a good microcosm. It holds lessons for us here in the States, good and bad. I thought so when I lived there in 1971, when I researched my doctoral dissertation there in 1977, and I still think so.

Denmark is a mixed-economy (free market competition with a large public sector), social welfare, multi-party democratic country that, because of its small size and international exposure, is affected more quickly and deeply by social, economic and political forces at work in the Western (and wider) world. It was a founding NATO member (1949) and the first Nordic member of the European Union (which it joined, simultaneously with Britain and Ireland, on New Year's Day 1973). For such a small, homogenous country, it has amazing social, economic and political diversity (for example, over the past 36 years some 15 different political parties have at one time or another garnered representation in Folketinget, the Danish Parliament).

Denmark has had, and continues to have, an out-sized global influence relative to its size, whether in diplomacy, design, architecture, art, music, film, food, sport – you name it. And deservedly so: Denmark gets a lot of things right. The standard of living is high, and so is the quality of life. As for the Danes themselves, the many famous and anonymous, they display an unmistakable national character combined with healthy individualism. (The unwritten law of Danish culture commands that one is not to draw attention to oneself, but it's liberally violated!)

The US is also a mixed-economy, social welfare, multi-party, democratic, diverse nation. There is

an undeniable leftist political orientation among elites, media, academia, government and public policy professionals in both countries. What lessons can we learn from recent developments in Denmark? Like the US, Denmark has gone through, and is going through, economic, financial, real estate, employment, debt and deficit problems of unanticipated severity. And like the US, responsible parties have taken their eye off the ball.

My colleague and partner Jorn Thulstrup, owner, CEO and publisher of News ex-press, a daily compilation of Danish news media presented in English for the diplomatic community in Copenhagen (among other clients), recently wrote a sharply critical report on the hangover left in Denmark by the Climate Conference. He states:

The COP15 Climate Conference held in Copenhagen in December, fuelled by political and economic special interests and enthusiastically embraced by naive Danish journalists, preoccupied people in this country far more than the rest of the world. For a lengthy period of time, leading Danish politicians and commentators seemed to be suffering from the illusion that, in terms of climate and energy, Denmark could rule the world. A widespread perception flourished that Denmark, as host of COP15, could create some kind of platform to market Danish technology, especially wind energy and enzymes used in the production of bio-ethanol.

But eventually, as expected, the concluding "Copenhagen Accord" failed to live up to the exaggerated expectations and only confirmed that

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the skeptics were right: the climate conference was a ritual event without meaning or influence.

Preoccupation with meaningless things is not costless. Hosting the Climate Conference cost Denmark billions of kroner, but the indirect costs were even more serious: it tied up official government business, cabinet ministers and security forces for such a long time, and to such an extent, that many serious political and economic issues – like how to get the economy growing again – were neglected.

Denmark deservedly prides itself on its quality of life, which includes a low crime rate. But while Copenhagen was free of the widespread destruction and vandalism that many had feared *during* the climate conference, the devotion of overwhelming police resources to COP15 over the past two years has actually been accompanied by an *increased* crime rate generally.

The failed expectations of COP15 are disappointing, but only the tip of the iceberg. Denmark is facing some very serious challenges. The global economic crisis has left its mark throughout the country. Years of budget surpluses have been transformed into deficits, in the necessary effort to prevent a collapse of the financial sector and limit growing unemployment. The government is now focused on the domestic agenda, with the top priority to restore economic growth, aiming to secure a political platform that will lead to victory at the next general election. Sound familiar?

SMALL COUNTRY, BIG IDEAS

Another more serious problem is Denmark's inability to compete, writes Thulstrup. Major wage hikes at home and devaluations abroad have made Danish goods and services too expensive. Unfortunately, Danish workers haven't been able to compensate with increased productivity – in fact, quite the opposite. Possibly, as a society,

the crisis was not taken seriously enough. Things went well for years and it appeared, after years of balance of payments and budget surpluses, that the country was capable of managing any setback. Also sound familiar?

Every year or so some international poll shows that Danes are the “world's happiest people.” (As I often explain to various news outlets looking for comment, it would be more accurate to say “most contented,” or, if I'm feeling mischievous, “resigned to their situation”!) But the problem, writes Thulstrup, is that they are no longer very industrious. Studies, reports and commissions have been warning for years of the lack of qualified manpower. Denmark has a high workforce participation rate, due to the share of women that work outside the home, but is a laggard in actual hours worked. It's a case of short working days, long holidays, and a high amount of sick leave. Students take too long to become qualified and too many people retire early – at the state's expense. More and more fail to contribute anything to production and are being supported by fewer and fewer. A third of working-age adults – the potential labor force – is out of work, compared to just one in four eight years ago. And it's going to get worse in the coming years. Thulstrup expects very little change in Denmark in 2010, in terms of economic growth. .

That also sounds depressingly familiar.

What about “flexicurity,” the Danish labor market scheme that seeks to combine employer flexibility (the ability to hire and fire easily) with employee security (publicly-funded job retraining)? Robert Kuttner praises flexicurity in *Foreign Affairs* (March/April 2008), while conceding that Danish conditions are unique and not applicable elsewhere. Thulstrup says flexicurity keeps the official Danish unemployment rate artificially low by forcing into job training, and then counting as employed, many people whose

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employment prospects are meager. In this way and others, he says, the system is susceptible to waste, fraud and abuse. Additionally, its costs are exorbitant: an “astonishing” 4.5% of GDP (as per Kuttner).

BIG COUNTRY, PERVERSE IDEAS

We have taken our eye off the ball here in the States too. Over the past year our liberal elites have been consumed with climate control, health-care reform and public-sector pump-priming, when they should have been focusing on creating the conditions for private sector economic growth. We are now faced with the specter of

laws, regulations and taxes that are unwanted and harmful, more expensive energy, and slower economic growth than would otherwise occur. That’s a shame, because economic growth is an all-purpose salve that cures a multitude of ills, and an all-purpose social lubricant that hides a multitude of sins.

The essence of all of this is the matter of incentives.

The lesson we should be learning is that preoccupation with ritual, meaningless and nonsensical things is not costless. Misallocation of resources is not just wasteful and expensive – it does violence to the general welfare, not to mention common sense.

2 – HEATING UP THE DEBATE ABOUT THE FUTURE

Brendan O’Neill is editor of www.spiked-online.com, based in London. Here is his proposal for an Alternative Copenhagen Accord:

#1: HANDS OFF THE HUMAN FOOTPRINT

The goal of environmentalism is to shrink the “human footprint,” speaking to a view of humans as ultimately destructive and of our breakthroughs as gigantic follies that must be decommissioned. No way. We have not poisoned the planet; we have humanized it. And far from being shrunk, our “footprint” – our 5,000-year project of taming and transforming this wild ball of gas and water – must be expanded further.

#2: DITCH THE CARBON CALCULATORS

Every human activity is now judged according to how much carbon it emits. Flying, working, eating, development and even reproducing – people’s decision to create new human life – are measured in tons of CO₂ emitted. But human activity is not reducible to the number of toxins it allegedly creates. Stop carbon-calculating our lives, and let

us celebrate people’s activities in human terms, recognizing them as good, creative, explorative, industrious, or simply as making people happy.

#3: DEMAND MORE ECONOMIC GROWTH

Creating plenty – plenty of food, homes and things – was the overarching aim of most human societies. Yet in the eco-era, economic growth is denounced as polluting, and people’s desire for wealth is redefined as a mental illness. We should insist that “growth is good” – in fact, it’s essential if we are to satisfy people’s needs, and liberate their time and their minds so that they can realize their desires.

#4: DON’T SUSTAIN SUSTAINABLE DEVELOPMENT

“Sustainable development” sounds nice. Yet the cult of sustainability, of pursuing only small-scale projects that can be sustained into the distant future without too much eco-stress, speaks to a lack of human daring. The demand to do only That Which Can Be Sustained is really an intellectual straitjacket for progress. We should wriggle free from it.

Growth

STRATEGIES

Consulting in:

- Market and industry analysis
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Providing:

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#5: NO LIMITS ON POPULATION GROWTH

Progressives once argued that unemployment, poverty and hunger were social problems susceptible to social solutions. Today the orthodoxy is that they are natural or demographic problems springing from humanity's failure to respect Mother Nature's limits. Nowhere is this clearer than in the rise of eco-Malthusianism and the notion that the planet is overpopulated. When problems were understood in social terms, the solution was seen as more debate and more progress; when problems are understood in natural terms, the solution is seen as curbs on people's nature-transgressing behavior and the use of eco-blackmail to curtail fecundity. Population growth is not the problem – the lack of social imagination is.

#6: STOP DEMONIZING "DENIERS"

Serious debate about humanity and its future is continually curtailed. Anyone who questions the science or politics of global warming is written off as a "Flat Earther." Some label "climate change denial" as a psychological disorder. Censors have always painted their enemies not only as wrong but as morally warped, and their utterances as a threat to the social fabric. We should defend skepticism: every breakthrough in history has sprung from at least a willingness to ask awkward, agitating questions about accepted truths.

#7: NO TO ECO-PROTECTIONISM

The resurrection of protectionism in green language is causing people in the Third World to lose their jobs and homes. We need more, and more meaningful, links between the North and the South, not fewer.

#8: MAKE ENERGY THE SOLUTION, NOT THE PROBLEM

Whether we're digging for coal or extracting uranium, man's use of the Earth's resources to create energy is frowned upon. We're destroying the planet, apparently, by draining its fuels. Such panic over allegedly dwindling resources is not based on hard evidence that this stuff is running out, but on a conviction that we shouldn't really be using it in the first place. This speaks to a new view of people as merely consumers rather than producers, destroyers rather than creators. We should see the creation of energy not as the problem but as the solution, allowing us to power industry, light up whole cities, and improve human existence.

#9: ADDRESS THE DEMOCRATIC DEFICIT

Our leaders depict themselves as the defenders of basic existence from the coming eco-Armageddon. Yet everyday people sensibly don't think climate change is the biggest problem facing the world. Today's democratic deficit, the gulf between the rulers and the ruled, will not be fixed by the displacement activity of pseudo-historic international conferences – we need openness, honesty and debate.

#10: HUMANS BEFORE POLAR BEARS

The idea of polar-bear vulnerability is used to hector and cow the public. We need to rediscover a sense of *human* morality, of judging our behavior in its own terms. When it comes to political decision-making, progress and development, only one question should ever be asked: will it or will it not benefit humankind?

COMING NEXT MONTH – I will be devoting next month's issue to an extensive review of *The Next Hundred Million: America in 2050*, by Joel Kotkin, soon to be published by The Penguin Press. Joel is my colleague at the La Jolla Institute and my editor at NewGeography.com, so yes of course my review will be full of praise. (An easy prediction to make as I have already read parts of it and it's excellent. *The Next Hundred Million* refers to the US population in 2050: who we will be, and how and where we will live.)