

A Danish Model For America?

Is Denmark As Great As Bernie Sanders Says It Is?

BY MATTHEW SCHOFIELD

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AARHUS, Denmark — When Berit Seidelin recently heard reports that American presidential candidate Sen. Bernie Sanders thinks the United States could do with being a bit more like Denmark, she immediately wished Danish politicians were thinking the same thing.

“Denmark should be more like Denmark these days,” the 53-year-old quipped. “In the last several years, we’ve become too much like the United States. I’m not happy about that.”

She said it with a wink, while moving flower pots around outside the shop where she works near the center of Aarhus, Denmark’s oldest city. But her comment gets at a central point that Sanders, a self-described democratic socialist, raises on the campaign trail and that Danes have been dealing with in recent years.

Exactly what does it mean to be Danish?

The political right describes the tiny Scandinavian nation as socialist, noting what by U.S. standards are luxurious unemployment and social benefits. But that’s not a universal characterization.

Centrist politicians and Danish economists make the point that the country is entirely capitalist. They note that the Index of Economic Freedom by the Heritage Foundation, a conservative research organization in Washington, rates Denmark above the United States. That, they say, is evidence that Denmark’s political system is based on a very open economy.

And there are many on the left who describe Denmark as a disappointment of late, a nation that recently has cut benefits and allowed irrational fears of migrants and refugees to lead it to considering even deeper cuts. This, they believe, leaves Denmark perhaps in line with other European nations, but not an example to follow.

As for the typical Dane in the street, what they really want from life is “hyggeligt,” often shortened to “hygge,” meaning comfort, or the state of being cozy. They talk about the importance of having the ability to succeed, but the equal importance of knowing everything will be OK if they fail.

Seidelin explains: “More and more here, our policies are making it clear that what people make of their lives is up to the individual. The role of the state is shrinking. Many of us are not pleased.”

Sanders, a Vermont independent who in polls trails Hillary Clinton for the Democratic presidential nomination, for years has praised Denmark, Sanders talks of Denmark as a nation delivering the kind

of government service that U.S. residents can’t even dream of. He’s visited the tiny nation, on a spike of land north of Germany, almost touching Sweden at the Oeresund straits, and he’s met with Danish officials to learn about their approach to governing.

On the campaign trail, Sanders often talks about the Danish national health care system, a system that costs a bit less and delivers a bit more health benefit than the U.S. model. According to the most recent World Bank statistics, Danes per capita pay \$6,270 a year for health care, while Americans pay \$9,146.

But neither country does particularly well against its peers. The World Health Organization rates Denmark’s health care system as the world’s 34th best, while the United States ranks 37th.

Sanders also praises Danish access to higher education. The last comprehensive comparison of the cost of a college education, the Global Higher Education Rankings for 2010 by the Canadian research group Higher Education Strategy

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OTTO BRONS PETERSEN

Associates, found that Danes paid \$530 a year in tuition, books and fees for university, while Americans paid \$13,856.

In 2013, long before he became a presidential candidate, Sanders was praising the Danish mindset toward government. In a paper he wrote then, he noted, “Danes pay high taxes, but in return enjoy a quality of life that many Americans would envy.”

So does Sanders have a point? It is almost impossible to tell. Experts caution that the nations have vast differences that make comparisons difficult.

By the numbers, Denmark is half the size of Indiana, with almost the same population, meaning its population density, which affects the delivery of services, is twice that of Indiana’s. Its people are paid less — annual income for a single person in Denmark is about \$46,000 compared with \$54,000 in the United States, but the youth unemployment rate is lower, 14 percent in Denmark vs. 17 percent in the United States.

Because higher education costs are for the most part shared through general taxation, Danes average two years more of education than Americans — 19 years vs. 17 years.

To get a sense of the difference between the two, consider transportation. Danes are far more likely than Americans to ride bicycles, with 80 percent of Danes considering themselves cyclists,



CLAUDIA HIMMELREICH/MCCLATCHY DC/TNS

Visitors enjoy views of Aarhus from the rainbow-colored skywalk at ARoS, one of Denmark’s leading contemporary art museums.

and 18 percent of all trips are made by bikes. In the U.S., 32 percent of Americans consider themselves cyclists and 0.9 percent of all trips are made by bike.

Critics of Sanders’ praise of Denmark always point out that Danish taxes are higher. A report by the Organization for Economic Cooperation and Development, an international organization to encourage economic cooperation, on taxation in 2014 found that a Danish couple with two kids earning \$77,461

would pay \$28,832 in local and national taxes, an effective tax rate of 37 percent. An American family of four earning \$66,600 would pay \$12,438 in local and national taxes, an effective rate of just under 19 percent.

But the Danish tax burden has some caveats, experts note. For one, because they have two children, the Danish couple would receive a government payment each year of \$4,158 each year, bringing their tax rate down to 32 percent. And experts note that while the money Danes pay for health care is included in their tax bill, the money Americans pay for health care is on top of their tax bill. If the estimate of annual U.S. health care costs is correct and thought of as a tax, adding \$9,146 to the bill, a U.S. family pays out nearly 33 percent in income taxes and health care costs.

Income taxes aren’t Denmark’s only tax bite, however. Danes who want to own a car know they’ll be paying not only the price of the car, but also nearly twice that price in taxes, meaning taking home a car with sticker price of \$20,000 actually costs the buyer \$56,000 in Denmark. Tax on American auto sales vary from state to state, ranging from 0 percent in some states to 7.75 percent plus local taxes in other places.

Still, by a U.N. measure, Danes are happier (the third happiest nation on Earth, while the U.S. is the 15th happiest), and thinner, with an 18 percent obesity rate compared with 35 percent in the U.S., according to the CIA Factbook.

“We pay high taxes but we get a lot back, so we don’t mind,” said Aarhus shopkeeper Lars Andersen, 52, who is one of the 40 percent of Danes who own a car. “True, it means I have a cheap car, but who cares? A car is just a means of transportation, not something to

take pride in. We take pride in living good, interesting, lives, and in spending time with those we love.”

Even so, Danes are a bit surprised that foreigners are using their national structure as a potential model and warn that it isn’t easily replicated. Sanders is not the only outsider touting it.

Otto Brons Petersen, the head of research at the Danish think tank CEPOS and a former executive at the Danish Ministry of Taxation, noted that he was surprised and a bit worried to hear Greek politicians discussing using the Danish model as a way out of their current problems, and suggesting it would mean they wouldn’t have to reform their system.

“We are not a wealthy nation because of this system,” Petersen notes. “We were already a wealthy nation, and this is what allowed us to support a welfare state. I’m not convinced our system provides a way out for nations in economic crisis.”

In fact, many here believe the Danish system works in Denmark because of cultural, not economic, reasons. Consider “janteloven,” the Danish word for blending into the crowd and disdain for the individual standout. Danes want to believe they are all in it together. And they want everyone to share that belief. It’s an ideal that runs counter to the American concept of the rugged individual, the self-made person.

Nevertheless, Danes do like hearing that their nation is being discussed in the American Democratic primary contest. They doubt that it will last long.

Carsten Jensen, a Danish political scientist and this year a visiting scholar at Harvard University, notes: “In Denmark, we believe that government is and has to be a part of the solution to our problems. In the United States, the belief is often that government is the problem.”

He admitted the current refugee crisis in Europe will put the Danish belief to the test. The Danish model is based on the current Danish population, and people invested in the Danish way of life, Danish values and Danish culture. Many wonder if it can cope with a large influx of new blood. But, he noted, while there is debate, overall the trust will likely remain.

“There are concerns about

our government as Big Brother,” he said. “On the other hand, we tend to like what that Big Brother provides.”

Others say the United States would find it hard to duplicate Danish policies, given its vast political divisions.

“In Denmark, we don’t have political debate that is as, um, divisive as you have in the United States,” explained Kim Mannemar Sonderskov, a political scientist at Aarhus University. “We certainly disagree, but reaching agreement is a cultural necessity. Social trust, the trust in the unspecified other, even someone you just meet on the street, is very high here. Trust in our institutions, our elected officials, is very high.”

Danish experts aren’t sure such a high level of trust in American government is possible. One cause, they believe, is that while Danes see a lot of good coming back to them, U.S. taxpayers can’t as easily see the benefits of their taxes. A strong military, which eats up 57 percent of the federal budget’s \$1.15 trillion in discretionary spending, doesn’t play a role in most daily lives, for instance. A comprehensive health care system does.

Sonderskov points out that Danes are simply more trusting of their countrymen than Americans. He noted, for example, that many Danes leave their infants in strollers outside shops and restaurants when they shop or dine. The thought is that the babies are “hygge” — cozy — in their well-insulated strollers and the change in temperature and noise level inside can only disturb them. Nobody suspects anything bad can happen from being left in the street. And, he notes, it is important to remember that nothing bad does happen.

“You have to trust people to live the way we live,” he explains. “You have to trust that people will work to the best of their abilities, and not simply rely on a generous unemployment benefit. You have to trust that people will not cheat on their taxes, but everyone, rich and poor, will share the burden. And you have to trust in the government — trust that they will use the money we pay in taxes well.”

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