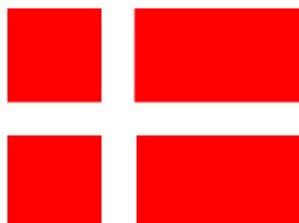


COUNTRY PROFILE



Denmark

GLOBAL RANK: 9th= of 104



Denmark's excellent second place for Comparative Liveability is compromised by its 20th place for Economic Competitiveness, leaving it with an overall ranking of 9th, tied with New Zealand. The poor business ownership rate and international market competitiveness indicators reduce the overall score for Economic Competitiveness.

● BACKGROUND

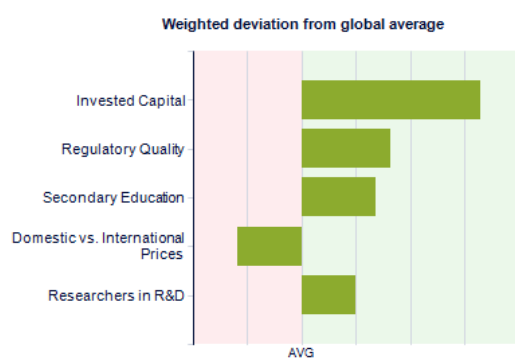
This constitutional monarchy has played an active role in European politics over the past half-century as a founding member of NATO and the UN, and as a member of the EEC since 1973. Denmark's modern economy is heavily oriented towards foreign trade, and has a flexible labour market and high employment rate. Government spending accounts for over half of GDP, funded by high levels of personal taxation. The distribution of wealth is more equal than in almost any other country in the world. Denmark faces the long-term challenge of an ageing population, which may lead to labour shortages and add to an already-large social welfare bill.

FAST FACTS

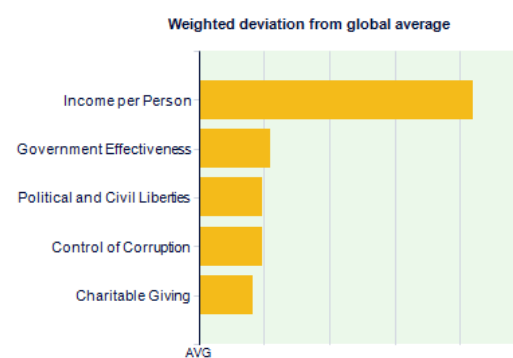
Population:	5.5 million (2008 est.)	FDI (net inflow):	4.08% (2006 est.)
Life Today	7.9 (2007 est.)	Exports	33.18% (2006 est.)
GDP (PPP)	\$203.7 billion (2007 est.)	Imports	30.79% (2006 est.)
GDP (Growth)	1.8% (2007 est.)	Unemployment:	2.8% (2007 est.)
GDP (per Capita)	\$37,400 (2007 est.)	Life Expectancy	78.13 years (2008 est.)
Political System:	Constitutional Monarchy		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Denmark's economy is generally flexible and successful, as is typical for the Scandinavian nations. Since the mid-1990s, economic growth rates have averaged close to 3%, and levels of capital investment are high. Danes, like their Scandinavian neighbours, have a high level of Economic Competitiveness, although they famously suffer the world's highest income tax. These taxes finance the country's large public sector workforce.

Governance is active, and the quality of regulation is high. The country's labour market is one of the most flexible in Europe, allowing companies to adjust the number of employees according to market demands. Mass education is good, with workers having on

The Gallup World Poll suggests that the Danes are among the happiest people in the world, although this description may be somewhat misleading. People in wealthy countries who enjoy good health tend generally to be happy if left to their own devices. Hence, although this is a controversial topic, it seems that the most important differentiating factor among wealthy countries is the number of miserable people (those who are, for instance, sick, homeless, unhealthy, or poor). Thus the Danes score highly for Comparative Liveability, not because they are necessarily the most joyous people on the planet, but because they have one of the smallest proportions of miserable people.

average 3.68 years of secondary education, although this is not outstanding for a country so high in the rankings. The high number of Danish researchers suggests good availability of highly-skilled workers.

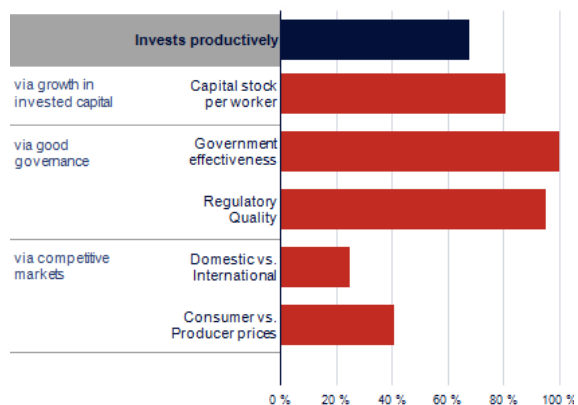
Other features of the economy include sophisticated petroleum and gas industries, high-tech agriculture, and a high proportion of foreign trade. Denmark has a wide range of industries, helping it successfully avoid dependence on agriculture and extractive industries. Like its Scandinavian neighbours, Denmark is not a notably entrepreneurial country: less than one in ten thousand Danes own their own business. Labour shortages are fuelling wage growth and leading to inflationary pressures, which may be one cause of Denmark's relatively poor scores for international competitiveness. The OECD has said it expects the country's growth to slow sharply over the next two years.

On the Comparative Liveability Index, Denmark's score is led by high average incomes. Equality of opportunity is high, and women are represented in parliament to a greater degree than any other European country, except Sweden, with nearly 40% of seats being held by women. On the negative side there is some pessimism regarding getting ahead through hard work -- perhaps unsurprisingly given the level of income taxes.

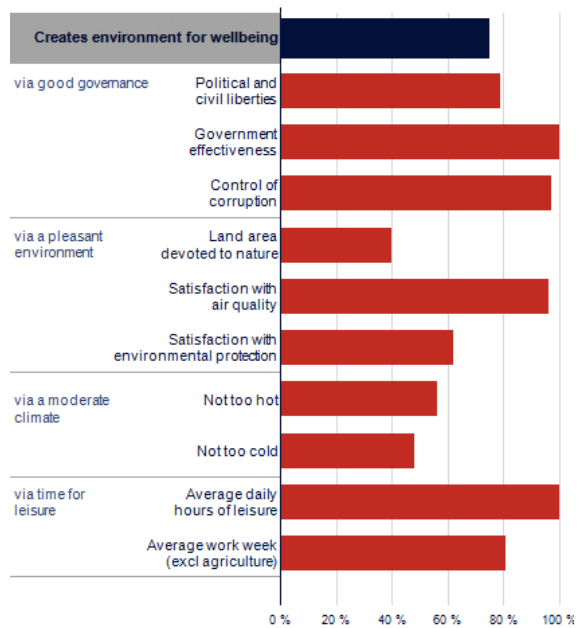
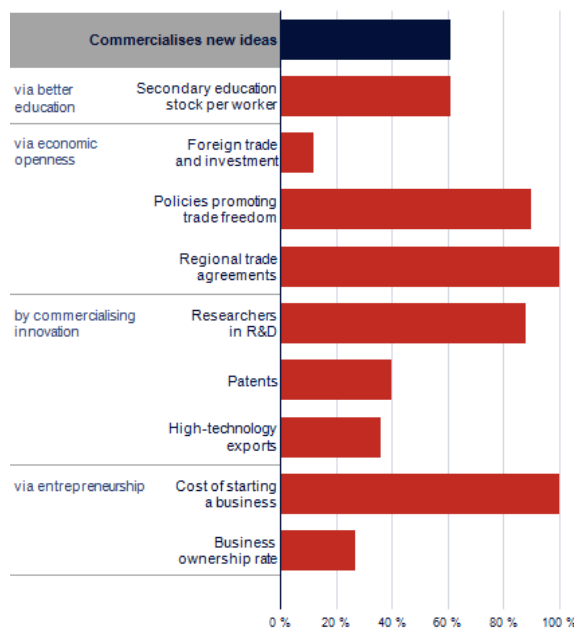
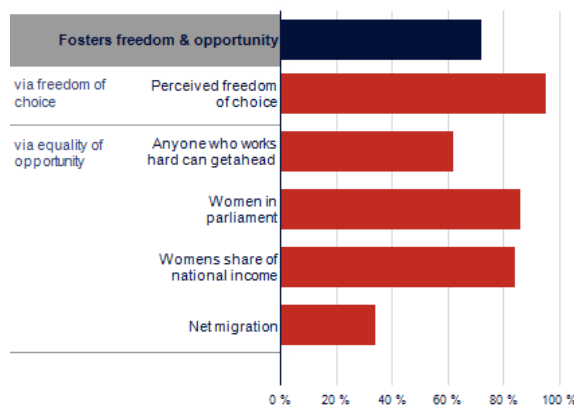
The quality of governance plays a notable role in life satisfaction in Denmark, with a high level of effectiveness, a firm control over corruption and well-protected civil liberties and political rights.

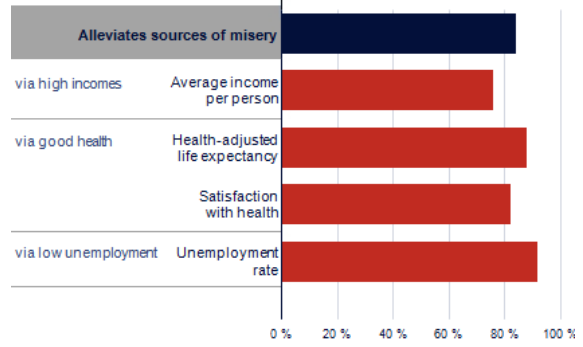
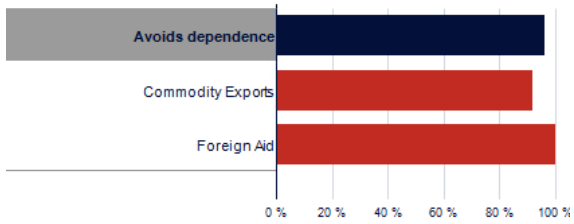
Equality is a large part of Danish culture, to the extent that those with too much ambition can sometimes be viewed with hostility. Working hours of 31.3 hours a week are noticeably short, and correspondingly Danes report that they have the most leisure time in the world, at nearly 11⁹ hours on average, according to the Gallup World Poll. Citizens trust each other and are family-oriented. The generous welfare state helps; parents get one year of maternity or paternity leave to be shared between them, and nearly half of this time is at full pay. Additionally, levels of charitable giving are high.

ECONOMIC COMPETITIVENESS: SCORECARD

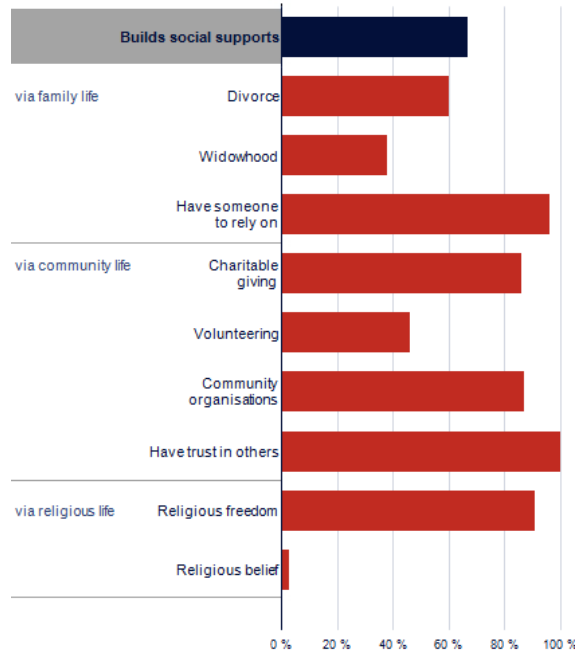


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.