## C A G

How to 'get to Denmark': An assessment of Denmark as an economic model for developing countries

CAGE Policy Briefing no. 29 August 2020

Markus Lampe

Paul Sharp





# How to 'get to Denmark': An assessment of Denmark as an economic model for developing countries

Markus Lampe, Vienna University of Economics and Business

Paul Sharp, University of Southern Denmark

Published by

CAGE Research Centre warwick.ac.uk/cage

The CAGE Research Centre at the University of Warwick is funded by the Economic and Social Research Council (ES/L011719/1). Views expressed in this publication series are the authors' own.

The social cohesion of Denmark, embodied in its strong tradition of rural cooperation, has often been promoted as a model for successful development. Francis Fukuyama (2011) described the issue facing developing countries as the problem of 'getting to Denmark', a metaphor for a society characterised by good governance, the rule of law, and related virtues leading to wealth and prosperity. But can and should developing countries aspire to 'get to Denmark'? This briefing analyses the economic development of Denmark through history and concludes that the lessons from Denmark have been misunderstood.

#### **Key findings**

- Trust in government and experts is as important now as ever due to, for example, the challenges of COVID-19 and persistently difficult race relations in many countries. The social cohesion of Denmark, embodied in its strong tradition of rural cooperation, has often been promoted as a model for successful development. This essay concludes that the lessons from Denmark have been misunderstood. Diversity, openness to ideas from abroad, education, and science were important factors behind Denmark's economic take-off in the late nineteenth century. However, this process did not happen overnight, and was the result of over a century of gradual change.
- Denmark in the mid-eighteenth century had much in common with today's 'failed states' which might only aspire to the level of welfare enjoyed by modern Danes. The country suffered from extremely poor institutions, including coerced labour and frequent warfare, as well as environmental catastrophe. However, a century later the environmental problems appeared to be solved, and modern cooperative butter factories spread around the countryside offering a balanced growth path between town and country probably unmatched elsewhere. Today Denmark in the mind of many embodies social cohesion, even if the cooperative countryside is largely gone.
- Older literature has emphasised the role of rural cooperation for development, although newer work has tended to downplay this. However, the cooperatives they analyse are very different from those that emerged in nineteenth century Denmark. We find that previous analysis has overemphasised cooperation as a way out of agricultural poverty. The Danish cooperative movement was an outcome rather than the cause of the development of Denmark.
- The success of the Nordic countries including Denmark, in everything from the Norwegian sovereign oil fund, to the welfare state, to the emergence of the Danish cooperatives themselves have been put down to the homogeneity of the populations. This has unfortunate implications for immigration policy. But in fact, diversity was a strength in historical Denmark.

- Denmark's development had much to do with historical landed elites, many of whom moved into the Kingdom from German-speaking parts of the realm in the eighteenth century. These elites found a powerbase, encouraged investment in education, science, bookkeeping, the discovery of markets abroad, and more.
- The peasant cooperatives emerged in conflict with this elite, but ultimately benefited from its accumulated knowledge and experience.
- Our research finds that developing countries don't have to be like Denmark to 'get to Denmark', but lessons from Danish history about openness (not just of the developing country, but also of potential export markets), education and the role of the landed elite will resonate in many developing countries today.

#### Introduction

'Getting to Denmark' is often referred to as shorthand for the most fundamental problem of developing countries: how to create a functioning political order and government that ensures good governance, the rule of law, and related virtues. Francis Fukuyama (2011, p. 14) is often credited with having coined this expression, although he himself refers to Pritchett and Woolcock (2004, p. 192), who use 'Denmark' as a metaphor for a country with functioning public services 'assured by effective, rules-based, meritocratic, and politically accountable public agencies'. Although it is not the only country with such 'Danish' features, **Denmark is indeed a stellar example of a state that is trusted by its citizens, and generates solutions that sustain a high level of economic development in the long-run, as well as the kind of short-run crisis responses many are looking to these days.**<sup>1</sup>

Unfortunately, Pritchett and Woolcock (2004) conclude, there is no clear, uniform path to 'Denmark', but there are many ways in which the trade-off between the interests of elites and bureaucrats on the one hand and the general population on the other leads to failure. Indeed, they argue, the search and application of a general solution is part of the problem.

We take up this idea and ask how the real Denmark 'got to Denmark'. We ask whether there is anything that can be learned from its experience, and whether imitating the Danish development path could be desirable for developing countries roughly 250 years after Denmark started moving in that direction.

Figure 1: Getting to Denmark in 1810: enclosed family farm, cows and milkmaids in Spejlsby on the island of Møn



Source: C.W. Eckersberg, En udflyttergård af bondebyen Spejlsby på Møn, 1810.

<sup>&</sup>lt;sup>1</sup> Peter S. Goodman, 'The Nordic Way to Economic Rescue', *New York Times*, March 28, 2020.

Our version of the Danish story starts in 1750, when Denmark, like many developing countries today, had a large share of its population in the countryside engaged in low-productivity agriculture under conditions that did not provide impartial public services or establish level playing fields in politics, the economy and society. The private initiative of the overwhelming majority of Denmark's inhabitants was choked off, and there seemed to be little scope for economic development. By 1900, however, the Danish countryside had become an economic powerhouse following a number of reforms and innovations (see Figure 1 for an idealised view of the results of agrarian reform). Small and medium sized farmers successfully managed to overcome rising import competition in their traditional main export market for grains by diversifying into animal husbandry. By organising themselves into cooperatives, they successfully competed in international markets and dominated the supply of butter and bacon to Britain, the leading economy of the time. Domestically, they established 'cooperative Denmark', a network of economic associations that supported an active civil society and social fabric that socially and politically empowered the farmer class. Contemporary observers and later scholars identified these as the foundations of how Denmark 'got to Denmark', before the phrase existed. Politicians and their advisors exported elements of the Danish system from cooperatives to red cows and slaughterhouses – abroad as development aid, and Denmark itself served as model for rural modernisation in places as different as Iceland and India. In most cases this led to little success, because - as we argue in line with Pritchett and Woolcock - red cows, slaughterhouses and cooperatives were what 'Denmark' looked like in Denmark, but were not what other places required on their path to similar outcomes. We revisit the Danish case and outline that it does indeed offer lessons for economic development, but these require digging deeper and going further back in time.

## What characterises Denmark today? And how did it get there?

A focus on Denmark is timely for several reasons. Denmark, together with its Nordic neighbours, is one of the countries in the world with the lowest economic inequality and highest social mobility. The Nordic countries have developed and maintained unique welfare states, which cover health, education and social protection for the whole population. They are ranked highly on the Human Development Index, as well as in terms of women's rights, education and work opportunities. Moreover, today Denmark is one of the richest countries in the world, a position it attained after developing unusually rapidly from the end of the nineteenth century, as illustrated in Figure 2.

Beyond the realm of economics, Denmark frequently tops rankings of such abstract concepts such as freedom<sup>2</sup> and safety<sup>3</sup>, no doubt contributing to its frequently touted position as one of the happiest countries in the world<sup>4</sup>.

4,500 4,000 3,500 2,500 2,000

Figure 2: Danish GDP per capita in 1990 international Dollars, 1820-1914.

Source: Own work based on data from Bolt and van Zanden (2014).

1860 1864 1868

In many respects Denmark in the eighteenth century, however, looked like many developing countries today. Large landowners dominated the countryside, and institutions such as local monopolies and coerced labour (quasi-serfdom) were ruled over by a king who at least in theory enjoyed absolute sovereign power. By the middle of the century the country was more or less bankrupt from frequent war against Sweden, although this spurred much of the change which, we argue, was to set Denmark on the path towards development. The King, looking to raise revenue, privatised much of his vast landholdings, and largely aristocratic landowners from the adjacent German lands saw an opportunity to make a profit. They purchased the land and introduced a crop rotation system known as Koppelwirtschaft which was already widespread where they came from. Due to the large amount of pasture set aside as fallow this was also associated with large herds of cows and centralised dairy facilities: what later historians have termed the Holstein system, and what we see as the start point of the development of Danish agriculture - in striking contrast to the ideal of peasant cooperatives which for a long time dominated the national narrative, and inspired failed attempts to export the Danish development model.

1,500

1,000

<sup>&</sup>lt;sup>2</sup> Human Freedom Index, Cato Institute.

<sup>&</sup>lt;sup>3</sup> Global Peace Report, Vision of Humanity.

<sup>&</sup>lt;sup>4</sup> World Happiness Report, United Nations Sustainable Development Solutions Network.

Influenced by the ideas of the enlightenment, the new agricultural elite pushed for a number of important reforms including land reform, whereby private property rights were gradually introduced, and coercive labour was abandoned. This set the scene for a new pattern of land distribution characterised by winners and losers, as a class of family farmers emerged, but others were relegated to smallholdings or remained landless. Many of the landless were to choose to emigrate to America in the late nineteenth century – once transport costs had fallen to an extent which made this possible – and some of them formed the core of agricultural communities there which were to play an important role in developing the American dairy industry.

The elites did not stop with copying agricultural technology from beyond the borders of the kingdom, however. They continued to innovate, introducing for example sophisticated bookkeeping and accounting systems, which allowed them to keep track of their production choices, both on how to produce most efficiently, and for what was most profitable, with butter increasingly being the product of choice. They helped found organisations such as the Danish Royal Agricultural Society which established apprenticeships, formal schooling, and scientific journals and lectures to share best practice. The journals and schools eventually began systematising the information collected in the accounts, as illustrated in Figure 3.

Figure 3: Comparative report on the annual production of 23 dairy units in 1881.

	Koholdets Storrelse	Antal Dage	Opfodret pr. Ko til Køer og Svin, alt reduceret til Pd. Kraftfoder							Produceret pr. Ko						Produktionens Værdi pr. Ko			med Værdi			Kalve	
Mejeriemes Nr.			offfod Pd.	etc.	Pd.	Ialt Kr. Ø.	Kraftfoder Pd. So. Værdi Hr. Ø.	Ialt Værdi	Mælk Pd.	Smer Pd.	Ost Pd.	Ma	Kalve og Husholdn.	Svin Pd.	SI Kr	Svin, Ost og skum- met Mælk Kr. Ø.	Ialt Værdi	Produktionsværdien Fradrag af Foderets	Kvægtace	<b>M</b> ejerisystem.	Tillagt og fedet Antal	Smorrets Art	
1	125	860	53Ò	1123	1653	99.18	271	16.26	115.44	3398	109.,	121. <sub>e</sub>	152	877	129.2	129.17	76.36	205. <sub>53</sub>	90.09	Jydsk. Jydsk samt blandet	Blikfade. Om Som- meren forelobig Afkeling.	2	Surt Smer.
2 3 4 5	110 79	360 368	1369 1457 1289 1699	626 894	2083 2183	111.00 124.03 130.08 117.00	572 621	34	168.24	4085	139	164-9 114-0 159-0 134-0	84 144	806 528	227.5 265.5 211.0 214.5	155- <sub>56</sub> 165- <sub>95</sub> 160- <sub>89</sub> 163- <sub>88</sub>	126. <sub>17</sub> 127. <sub>93</sub> 112. <sub>82</sub> 119. <sub>51</sub>	281 <sub>-78</sub> 293 <sub>-88</sub> 273 <sub>-62</sub> 283 <sub>-39</sub>	137. <sub>79</sub> 134. <sub>58</sub> 105. <sub>38</sub> 122. <sub>53</sub>	Nordslesvigsk og Angler. Jydsk og Ayrshire. Nordslesvigsk. do.	Ismejeri. Vand og Is. Ismejeri.	21 20 14 11	do. do. do.
6	72	378		821		118-52	119	7.14		3237	111.3	73. <sub>4</sub> 37. <sub>7</sub>		1200 1036	142 <sub>.0</sub> 109 <sub>.0</sub>	121-96 131-47	81. <sub>41</sub> 57. <sub>74</sub>	203- <sub>36</sub> 189- <sub>21</sub>	99. <sub>38</sub> 63. <sub>75</sub>	Korthornsblanding og Jydsk. Blandet Jydsk. Angler, Jydsk og	Yand og Is.	11 18	do.
9	105	11.375	1	1500	100	106-52		1.51	1235 6		100	146.9	82	1226	77.7	154.48	74.87	229.32	106.92	Fynsk. Blandet Fynsk og	Botter.	6	do.
10 12 13 14	70 56 90 87	375 374 374 367	1164 1408 1140	705 1961 898 1774	8125 2806 2914	140-88 104-70 187-50 138-36 174-54	662 400 275	39- <sub>72</sub>	148-26 134-76 227-22 162-36 191-34	4128 3778 4576	134. <sub>2</sub> 142. <sub>4</sub>	97. <sub>5</sub>	92 187 66	955 860 510	128. <sub>8</sub> 120. <sub>0</sub>	923, <sub>24</sub> 160, <sub>00</sub> 163, <sub>06</sub> 165, <sub>74</sub> 173, <sub>32</sub>	113.60 89.60 94.51 129.23 65.60	336.84 249.60 258.48 294.07 239.61	188-58 114-90 31-26 132-61 47-67	Angler. Fynsk og Jydsk. Angler og Fynsk. Blandet Angler. Angler.	Centrifuge.  Botter og Is. Ismejeri. Vandmejeri.	10 18 14 32 11	do. do. do. do.
6	61 119	373 368	576 841	954 886	1993 1530 1727 1562	103.	500 858	42-20 30-00 21-18	162.48 121.80 124.80	38 <b>8</b> 8 4293	150. <sub>1</sub> 127. <sub>3</sub> 149. <sub>4</sub> 138. <sub>6</sub>	160. <sub>7</sub>	27	984 984	205. <sub>0</sub> 180. <sub>0</sub> 157. <sub>0</sub> 168. <sub>2</sub>	180.49	128. <sub>77</sub> 114. <sub>48</sub> 92. <sub>22</sub> 107. <sub>66</sub>	272.	137. <sub>15</sub> 139. <sub>28</sub> 147. <sub>84</sub>	Angler og Fynsk.  Jydsk.  do.  Angler.	Botter til Nytaar, herefter Ismejeri. Vand og Is. Botter og Is. Centrifuge.	35 15 32 34	do. do. do. do.
9 20 21 22 23	85 116 19	855 868 865	1406 1883	161 762 1008	2071 2168 2891	178.4	206 1000	38.52 12.36 60.00	154,61 162.71 142.41 238,46 147.66	4835 4172 5609	173. <sub>9</sub> 136. <sub>7</sub> 180. <sub>9</sub>	170.7 156.0 205.2	90 130 41	824 1065 1496	166. <sub>0</sub> 255. <sub>4</sub> 116. <sub>8</sub> 256. <sub>0</sub> 166. <sub>0</sub>	198-00 176-84 206-44	137. <sub>15</sub> 98. <sub>96</sub> 149. <sub>96</sub>	335. <sub>16</sub> 275. <sub>32</sub> 356. <sub>10</sub>	172	Nordslesvigsk. Nordslesvigsk. Evnsk	Botter. Ismejeri. Ismejeri. Is og Botter.	9 13 26 5	do. do. Sødt Smør. Surt Smør. do.

**Source:** Lampe and Sharp (2018), Figure 5.2, p. 101. (The original source is from 1882 and out of copyright.)

Of course, they also needed a market for their goods, and the landed elites were joined during the second half of the nineteenth century by merchants, who helped share information and establish trading routes with the UK, which was the big, industrialising market for agricultural produce at the time. Responding to incentives offered by merchant and international markets, Danish farmers adopted production patterns and technologies from the elites. The main outcome of this imitation was the foundation of hundreds of cooperatively owned butter factories, which covered the country in the 1880s following the invention of the steam powered automatic cream separator (a centrifuge), a technology which allowed for the centralisation of peasant production along more or less the same lines as the elites had enjoyed a century earlier. Cooperative creameries spread at an impressive speed: By 1894, just 12 years after the first was established in 1882, there were already more than 900 of them, a number that rose to close to 1200 by 1914, in a country with around 1650 rural parishes.

We find that the geographical pattern of the location of the cooperatives established over the first decade after 1882 shows a remarkable correlation with the presence of the enlightened elites in the late eighteenth century, providing evidence for our hypothesis that the landed elites provided the inspiration for the peasant cooperatives. We also note that this spread, being focused on the countryside, provided a natural counterbalance to development in urban areas, leading to a perhaps uniquely balanced growth path in striking contrast to the development story of many other countries.

#### Was homogeneity a source of strength?

The homogeneity of Scandinavian populations has often been cited as an explanation for everything from Norway's vast sovereign oil fund to the large welfare states. For Danish history, it has been suggested that its ability to cooperate owed much to its homogenous population, in contrast to for example Ireland, a traditional leader in butter exports which lost ground to the Danish cooperative exports, even on its 'home turf' of the rest of the United Kingdom. On the other hand, diversity can be considered a strength if it allows for new ways of thinking, but can become a hindrance to development if it results in cleavages and conflict between elites and the general population.

Our analysis nuances the 'usual' story about homogenous Denmark. The elites who got the process of agricultural development underway were a homogenous group of rich people who had discovered a love for improvement and efficiency, despite their different regional and national backgrounds. They formed exclusive organisations such as the Danish Royal Agricultural Society, and while they were active in spreading best practice across the country, it was clear that this was mostly directed towards themselves. When the cooperative creameries started to spread, they were initially jealous of their success and the resultant competition, and commissioned a report to prove that they were inferior, although this concluded the opposite, giving an important boost to the emerging

movement. The fact that they were unable to block the rise of the peasantry says perhaps a lot about the particular institutional framework in Denmark, in contrast to other countries where landed elites are often considered to be *the* barrier to rural development. Moreover, even this simple dichotomy between large landowners and peasants oversimplifies the situation.

Within the cooperatives themselves, certain groups gained while others lost, which might have led to conflict. In line with contemporary enlightenment thought, women seem to have been eased out of industrialised dairying fairly peacefully. We of course have no idea about the conflicts this might have led to at home, although they were surely mitigated by the fact that women's work in dairying had been extremely hard. An evangelic movement known as the Inner Mission also gained ground in the late nineteenth and early twentieth centuries, leading to conflict between rival creameries at the village level over the guestion of whether to be open on Sundays or not. But this was in no way as fierce as the conflict between largely Catholic-owned cooperatives and protestantowned proprietary operations in Ireland, for example. The losers from the agrarian reforms who were left with little or no land occasionally employed revolutionary rhetoric, but in the end many of them decided to 'exit' rather than 'voice' by migrating to the United States and Danish urban centres, All in all, Denmark was indeed a relatively peaceful place in the nineteenth century, following the Napoleonic War, as symbolised in the national history by the peaceful enactment of a (for its time) democratic constitution in 1849. in contrast to the revolutions which at that time were shaking much of Europe.

What appears to have been important was perhaps homogeneity and group identity within certain parts of the population, including the elites, who both desired to generate income from their estates, but also expressed a strong 'patriotic' desire to make Denmark a better place, although they certainly promoted differing approaches to this. The rural elites might not have felt much in common with the farmers who went on to found the cooperatives, but their reforms and innovations made this progress possible, and the peasants themselves, through the cooperative movement, found their own sense of identity which was, until after the Second World War, to be the defining feature of Danishness: the small-scale, democratic, peaceful and cooperative countryside.

#### What was the role of the elites and government?

Outside Denmark, and in development economics in general, traditional landed elites have a bad reputation. They are seen as conservative forces that combat political and economic modernisation, which would otherwise lead to industrialisation and structural change. They block the processes that empower other, rival, social groups, the urban-based middle classes and industrialists, and relegate the countryside to a back seat in the economy and society. Traditional rural power structures were often characterised by inequality and exploitation in many dimensions, and as modernisation threatens the basis of such exploitation, elites often aimed

at barring the rest of the rural population from taking part in it, e.g., by manipulation and/or underfunding education or by outright mobility restrictions, such as the serfdom they imposed on the rural Danish population and the slaves they brought to plantations in the Caribbean.

As discussed above, by 1750, the Danish countryside fulfilled most of these characteristics within an absolutist monarchy. Peasants worked the dependent farms of landed estates, mainly owned by aristocratic landlords, and were subject to a variety of dues, including forced labour, and bound to landed estates by quasi-serfdom mobility restrictions. Their education was provided via church-led schools, for which the large landowners had special rights in the appointment of local priests and teachers. Landlords similarly determined the administration of local justice and military recruitment.

From the 1760s an increasing large fraction of the landed elites in Denmark became more market oriented and the started to behave economically more like bourgeois 'middle classes' than like feudal landlords towards the outside world, by introducing the *Holstein* system and increasing efficiency and productivity in cultivation. Internally, however, they continued to exploit their privileges and used the forced labour of their tenants, who worked about 90% of the land on their dependent farms, in the modernised production system. From the 1780s, however, the central government enacted a series of reforms that enabled the peasants to become independent farmers and take their own decisions: quasi-serfdom was abolished, peasants could now obtain very long tenancies or buy out owners of 'their' tenant farms. Communal cultivation systems were dissolved through enclosures, and justice and administration were handed over to government-appointed local administrators. Rural elites were thus stripped of most of their economic and political control over the peasantry and for the most part could and had to concentrate on their role as agricultural businessmen (cf. Kjærgaard, 1994). Their production models, however, served as guidance for the modernisation of peasant production, which, 100 years after the onset of the reforms, saw the emergence of the cooperative movement as the new protagonist in modernising rural Denmark that even substituted some of the urban merchant elites in the export of agricultural products.

This empowerment of the peasantry crucially benefited from early compulsory primary schooling and the establishment by the government and the institutions of the agricultural elite of educational facilities like agricultural schools, the Royal Veterinary and Agricultural University, and extension and apprenticeship programs. While the government did little to actively promote specific sectors of the economy by means of industrial policy, it nevertheless contributed to the bases that made widespread 'entrepreneurship' and knowledge spillovers from elites to common farmers possible. When the existing tariff on cheese as a luxury good turned out to provide implicit subsidies to the rising dairy industry, the government let this happen.

Rural elites instigated the government to undertake some of the aforementioned initiatives, and therefore were facilitators of knowledge and infrastructures that were used more widely than for their narrow self-interest.

#### How did openness contribute?

Openness played a key role for the Danish development story from the word go. The privatisation of royal land and the fact that a largely German elite could move into Denmark represents clearly how well-functioning markets (for land) and openness to ideas and migration can allow for technology transfer. The openness of the United States was to play an important role in the late nineteenth century, allowing for surplus labour to move and potentially incomes to increase. For much of the nineteenth century, Denmark also saw sizeable inflows of immigrants from Sweden and Poland into agriculture, helping to boost production in rural regions.

Beyond migration, openness to ideas was also embodied in the scientific literature, public lectures and apprenticeships which were organised by the elites. They actively encouraged the spread of best practice, and they, and later the government, were central to establishing agricultural schooling and extension services. Although Denmark initially imported ideas such as *Koppelwirtschaft* and the automatic cream separator, and translated for example foreign language literature for its own scientific press, it was later to become an exporter of technology and practice to countries around the world.

Trade policy was also relatively open, at least from the final decades of the nineteenth century. Indeed, this forms part of one of the classic explanations for the Danish success story: at a time when cheap agricultural produce was flowing into Europe from the United States following the Civil War, Denmark chose to remain open and used the cheap grain to feed livestock, capturing the market for butter and bacon in the United Kingdom. These products were relatively protected from American competition, due to the difficulties of shipping animal produce before refrigeration. All this of course also depended on the free trade stance of the United Kingdom itself, which allowed the Danes to export such large quantities of high-quality produce in the first place. This provides striking lessons for development policy today, given the protectionist stance of most rich countries.

#### Are cooperatives useless for development?

We argue that the Danish cooperative movement was more likely an outcome than the cause of the development of rural Denmark and the country as a whole. Therefore, simply exporting the idea of peasant cooperation is unlikely to yield the same results. A good example of this are the government-sponsored cooperatives that emerged during the Cold War era in post-colonial development planning all over the world. Such cooperatives were set up from above to provide peasants with the means and infrastructure for agricultural modernisation and aimed to relieve their

poverty. They also served as vehicles for the political organisation and control of peasants. Such paternalistic institutions, however, discouraged peasant's initiatives and depended on government subsidies, and therefore played a very different role for development compared to Denmark's bottom-up cooperatives.

In the context of the pro-market reforms of the Washington Consensus after the end of the Cold War, cuts in government subsidies often meant that these cooperatives lost their function and economic basis. Some managed to convert themselves into bottom-up initiatives for the facilitation of marketing and the reorientation of peasant production in changed environments. By the early 2000s, bottom-up cooperation was rediscovered by development institutions as part of initiatives to foment economic development through social capital (cf. Birchall, 2004).

Precisely because small rural producers often lack access to knowledge, capital and marketing channels to benefit from high-value agricultural demand, by pooling resources and contracting expertise, cooperatives can significantly improve cultivation, bargaining power and incomes. **To make them work, however, 'ownership' of the cooperative by its members is central, and paternalistic solutions are unlikely to achieve that.** Such 'ownership' and peasant initiative is likely to be highly correlated with the drivers of the Danish development process outlined in the previous sections, like property rights, education, access to advanced agricultural knowledge and techniques, and marketing channels.

### Can and should developing countries aspire to 'getting to Denmark?'

In the introduction, we explained the title of this briefing and asked how it might be possible to get to Denmark, and whether you would really want to. The lesson from our work is somewhat nuanced, and before answering these questions it is necessary to ask how Denmark itself got to Denmark. Our work stresses the role of landed elites who certainly did not desire the rise of the peasant classes but failed to block them. We note that the homogeneity of the Danish experience has almost certainly been overemphasised – and besides, there are many other homogenous populations which did not enjoy similar success. Whether getting to Denmark is possible is a moot question given the failure of the direct export of the Danish development model, although our work suggests that this had much to do with an overemphasis on cooperation as the way out of agricultural poverty, as well as an attempt to impose a form of cooperation which had little to do with the bottom-up movement of free peasants which Denmark witnessed in the nineteenth century.

By contrast, the desirability of the outcome in terms of Danish living standards today cannot easily be questioned. Denmark is far from perfect, but it enjoys a level of security unmatched in most of the world, at least for its own citizens. But whether developing countries would necessarily desire

to go through the same extremely lengthy development path as Denmark is more questionable. Perhaps development is not something which can be organised into five-year plans, but one might hope that development can take less than a century. So probably (fortunately) you don't have to be like Denmark to get to Denmark, although the lessons about openness (not just of the developing country, but also of potential export markets), education, as well as the not-completely negative role of the landed elite, will certainly resonate with many developing countries today.

#### **Bibliography**

- Birchall, J. (2004). Cooperatives and the Millennium Development Goals.

  Geneva: International Labour Office.
- Boberg-Fazlic, N., Jensen, P. S., Lampe, M., Sharp, P. R., & Skovsgaard, C. (2020). 'Getting to Denmark: The Role of Elites for Development'. Discussion Papers on Business and Economics, University of Southern Denmark, No. 5/2020.
- Bolt, J., van Zanden, J. L. (2014). 'The Maddison Project: Collaborative Research on Historical National Accounts'. *Economic History Review* 67(3): 627-651.
- Fukuyama, F. (2011). The Origins of Political Order: From Prehuman Times to the French Revolution. London: Profile Books.
- Kjærgaard, T. (1994). *The Danish revolution, 1500-1800: an ecohistorical interpretation*. Cambridge: Cambridge University Press.
- Lampe, M., & Sharp, P. (2018). A Land of Milk and Butter: How Elites

  Created the Modern Danish Dairy Industry. Chicago: University of
  Chicago Press.
- Pritchett, L., & Woolcock, M. (2004). "Solutions when *the* Solution is the Problem: Arraying the Disarray in Development". *World Development* 32(2): 191-212.