

Danish approaches to security and aid

Denmark's global role

Denmark was among the most generous aid donors from 1960 to 2000. A new government in 2001 reduced Danish assistance considerably and put more emphasis on security issues. Denmark now has a renewed focus on aid, particularly in Africa.



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Denmark did not get involved in development cooperation until the early 1960s. However, it quickly agreed to adopt the UN standard of rich countries dedicating

0.7% of their gross national product (GNP) to official development assistance (ODA). By 1979, in spite of its relatively late start, the country was among the first to attain this target.

In 1992, Denmark's ODA passed the 1% mark, and with minor fluctuations it stayed at that level for the next nine years. In 1993 Denmark began giving special environmental assistance to both low- and medium-income countries. The Danish parliament, or *Folketinget*, set the target for environmental assistance – in addition to development assistance – at 0.5% of its GNP.

Over the years, Danish political parties have held different views on development assistance. Right-wing parties such as the Progress Party and the Danish People's Party were very critical of large-scale government spending on assistance. The extreme left wing argued that assistance was overly supportive of the Danish business community. But the dominant parties – both in the traditional labour movement, the centre and the centre-right – agreed that Denmark had a duty in the world, and that it benefited Denmark to fulfil. Doing so made little Denmark 'larger' on the world scale.

In 2001 the political situation in Denmark changed drastically. At the parliamentary elections the social-democratic minority government under Poul Nyrup Rasmussen lost to a coalition of two centre-right parties: the traditionally liberal *Venstre* and the Danish Conservative Party. This coalition, called V and K, formed a minority

Summary

- From 1960 to 2001, development assistance became a key focus for Denmark. There was rapid growth in the scope of assistance, and collaboration between political parties and Danish civil society.
- From 2002 to 2005, cutbacks in development and environmental assistance were imposed by a new government. It was a period of parliamentary disagreement and strong criticism of the government from the civil society organizations.
- Between 2002 and 2005 a new activist foreign policy placed greater emphasis on security. New attempts were made to link civil assistance to military actions. Denmark had a close alliance with the US and participated in the Iraq invasion without a UN mandate.
- From 2006 until the present, there has been a gradual increase in development assistance to a level slightly above 0.8%.
- Renewed interest in Africa has led to growth in African assistance and the establishment of an international Africa Commission chaired by the prime minister.

government supported by the right-wing Danish People's Party. The new prime minister was Anders Fogh Rasmussen of *Venstre*.

V and K had promised to improve the Danish health system, and argued that funding new investments in Danish health would require cutting back on assistance to poor countries. The new target for ODA became 0.8%. Special environmental assistance was reduced by more than half and was later dismantled and integrated into the reduced development assistance fund.

A memo from 2003 compares budgetary estimates from the outgoing government with the new government's projections. 📄 The total Danish development and environmental assistance for 2002 had been planned at DKK 12.5 billion (approximately US\$2.2 billion), but was cut back to DKK 11 billion. Environmental assistance was to grow from 2002 to 2005 to close on DKK 2 billion annually according to the former government's plans, but instead was

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ANP / Rune Evensen

Danish Minister for Development, Ulla Tørnæs, and Professor Bjørn Lønborg, author of *The Skeptical Environmentalist*, present the planet's 10 biggest challenges at the Copenhagen Consensus, 30 May 2008.

frozen at DKK 500 million annually and subsequently absorbed into development assistance. Development assistance was locked at 0.8%, which was DKK 10.5 billion in 2002. In 2005 annual savings was DKK 4.5 billion.

Pioneering in development and environmental assistance

With the wave of decolonization in the 1940s and 1950s, Danish NGOs and committed politicians saw a potential for a Danish presence beyond Europe. There was political consensus on the importance of development assistance based on:

- Humanitarian considerations that were partly rooted in the tradition of Christian relief work.
- The Scandinavian welfare model was seen as a ‘golden mean’ between capitalism and socialism, and hence as a model that would inspire newly independent states. Denmark barely had a colonial past, which eased political cooperation with new nations. Its philosophy of solidarity appealed to many parliament members, particularly the centre-left.
- Development assistance could open up new markets to trade and industry.
- Development assistance could help give Denmark, a small country, greater international gravitas.

Only tax resisters and the extreme left wing were sceptical.

The left thought there were too many Danish business subsidies built into the assistance policy. For many years assistance operated with firmly fixed return percentages – 50% of assistance was supposed to make its way back to Denmark by being spent on Danish wages or supplies, and for a long time government loans were tied to purchases of Danish goods.

But Danish assistance also had strong idealistic components. One was intense support for multilateral deployments through the UN system. Denmark, like other Scandinavian countries, was politically influenced by its geographical position between East and West during the Cold War. The partition of Europe placed the UN high on the Danish foreign policy agenda. The large-scale Danish multilateral assistance formed the basis for a policy of ‘active multilateralism’. Denmark attempted to be active both in strategy development and reform processes within the UN system.

Civil society was heavily involved in early Danish assistance. A Danish International Development Assistance (Danida) advisory board was established in the early 1960s with representatives from both the business sector and NGOs. The board continues to deal with all major assistance grants. Danish NGOs engaged in development and relief work were granted sizable state subsidies, and for over ten years more than 15% of the total Danish bilateral assistance



was channelled through these NGOs. A large part of the Danish public information work relating to development problems was also undertaken by NGOs, backed by DANIDA funding. The Danish programme for sending volunteers out to developing countries was run by an NGO, the Danish Association for International Cooperation (MS), with government funding.

With increasing emphasis gradually being placed on partnership and local ownership in the recipient countries – in line with developments in international assistance policy – project assistance was eventually superseded by assistance for selected government sectors in the individual programme countries. There were no more tie-ins to purchases of Danish goods.

Almost from the start the focus of assistance was on poverty. The fundamental principle of bilateral assistance was that cooperation would be concentrated on a number of programme countries. But there were political disputes over which would be chosen. Did the poverty focus mean that only the very poorest countries should receive assistance, or were slightly richer countries with massive poverty problems also eligible? In practice, most Danish programme countries were in Africa.

A distinctive feature of Danish aid, however, was its size in relation to the other foreign-policy areas. While defence spending in most countries is far greater than spending on assistance, this was not so in Denmark. In the 1997 Danish Foreign Policy Yearbook Per Fischer, senior advisor at the prime minister's office, wrote that while Denmark's total defence spending in 1988 was DKK 14 billion and thus almost double the total international assistance of 8 billion, the 1997 figures were equal for the two areas: DKK 15.5 billion on defence and DKK 15.5 billion on international assistance. According to Fischer, this reflected the new concept of 'soft security' and the corresponding more activist line in Danish foreign policy. At the end of the 1990s Denmark sought to be a pioneering country in international environmental policy. The Danish Ministry of the Environment was expanding and was given more tasks, including international and climate-related activities.

From soft security to activist foreign policy

From 2001 onwards development assistance was reduced sharply by Denmark's new government. A majority was in favour of reinforcing the domestic health system by making large cuts in spending on development and environmental assistance. This meant a clear restructuring of Danish international policy.

Between 2001 and 2004, more changes were implemented to Danish defence, security and foreign policy, including

- The reduction of development and environmental assistance, and the establishment of a new ODA target of 0.8%.
- Denmark's military contribution in Afghanistan since 2002; Denmark's alliance with the US on the invasion of Iraq in 2003; and 'The Arab Initiative', based on a decision that Denmark would play a more active role in dialogue with the Middle East.

- The implementation of a new defence agreement in 2004 and the shift in focus from domestic defence to greater active Danish participation in international military deployments.

In assistance policy terms, the interaction between civil and military deployments became an important new topic after Denmark became involved in military deployments in both Iraq and Afghanistan. The debate was coloured by Denmark's membership in the United Nations Security Council in 2005.

In pivotal speeches in 2003 about Denmark's international duties, Prime Minister Anders Fogh Rasmussen clearly said the focus was on security rather than development assistance. In a September 2003 speech on the new world order, Rasmussen did not mention Danish development assistance explicitly, and focused on the fight against terror, democratic development in the Arab countries, international free trade and Danish interaction with the EU and US.

In a speech to the Royal Danish Defence College Rasmussen declared that Denmark 'must produce more soldiers for the international operations'. Danish national defence was to ensure greater visibility of Denmark internationally. He also stressed the importance of Denmark improving its record at co-conceptualizing military deployment with development assistance, reconstruction assistance and humanitarian assistance. 'It is important that the local population should not only see armoured personnel carriers but also perceive an effort to secure necessary supplies and rebuild infrastructure'.

The new 2004 defence agreement made it possible, in principle, to make 2,000 Danish soldiers available for international operations each year. The timing of the growth in military despatches coincided with a reduction in the despatch of Danish development workers.

Danish grassroots development organizations have criticized the cutbacks and changes in Danish foreign policy. NGOs have been highly critical of the large cutbacks in civil deployment. There has been a sizable reduction in the bilateral assistance to the least developed countries.

Despite the huge cutbacks, civil development assistance was supposed to be instrumental in financing far more topics and areas of deployment. There was far less funding available than before, but it was now also supposed to help finance civil development assistance and relief aid in Iraq and Afghanistan, and finance the Arab Initiative.

The overall retrenchments in assistance also affected Danish NGOs. There were general cutbacks in funding to NGOs, and the government decided that the organizations' own fundraising had to be raised as a condition for receiving government funds. At the same time, special cutbacks were made in the grants that had been used to provide developing countries with information via the NGOs since the 1960s. While the principle thus far had been that general information about the developing countries and assistance

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