

XVI/33/72-E

COMMISSION
OF THE
EUROPEAN COMMUNITIES

General Directorate
for Regional Policy

Regional Economic
Structures and Policies in
Denmark

March 1972

NOTICE

From the statistical data and information supplied by the national administrations of the acceding States, the Directorate-General for Regional Policy has undertaken to produce an analysis of the regional structures and regional policies of these States, to complete the analysis already made for the six Member States (1).

The present study represents a first general description. It will be supplemented by more detailed statistical analyses which, in spite of many gaps, will provide a more complete picture of the regional structures in the acceding countries and the problems they present in the enlarged Community.

(1) See Analysis, 1971

C O N T E N T S

	<u>Pages</u>
I. Regional delimitation	4
II. Regional economic structures	7
III. Nature of regional problems	15
IV. Evolution of regional problems and regional policy from	
1958 to 1969	18
V. Current regional policy (1972)	20
VI. Regional programming	28
VII. Town and country planning	30
VIII. Regional policy - responsible institutions	31
IX. Results of regional policy	33
Bibliography	35
Index	36

D E N M A R K
in the Community of Ten

	Denmark	Community of Ten	Norway
			Community % or index (Community=100)
Area in sq.km.	43 000	1 847 300	2.3 (%)
Population (in thousands)	4 921	257 422	1.9 (%)
Density (inhab./sq.km.)	114	139	82 (ind.)
Total working population (in thousands)	2 373	106 418	2.2 (%)
Working population in agriculture (%)	11.1	10.18	
Working population in industrie (%)	37.7	43.87	
Gross domestic product (\$ / inhab.)	2 662	2 372	112 (ind.)

Exchange value of the Danish crown in August 1971

1 \$ = 6,90714 Danish crowns

I.- Regional delimitation

In Denmark, two types of regions are identifiable : firstly, administrative regions and secondly, development regions subject to regional policy.

1) Administrative regions

Administratively, Denmark is divided into boroughs and counties, (the latter are known in Danish as amter).

Before 1970 there were 1 389 boroughs and 25 counties.

Administrative changes reduced the number of boroughs and counties to 277 and 14 respectively, as from 1 April 1970 (1).

Disregarding administrative boundaries, Danish statistics frequently group together the three counties of Copenhagen, Frederiksborg and Roskilde under the heading "North East Zealand", thus making for practical purposes a total of 12 administrative units of the first order.

With the exception of North East Zealand, the various counties of Denmark show a fairly balanced distribution of the population among them, as the following table shows.

To the national territory proper must be added the Faroe Islands and Greenland.

...

(1) Cf Plate 1, p.6

The Counties of Denmark in 1970

Counties	Population	Density inhab./sq.km.
North East Zealand	1 748 620	613
West Zealand	257 560	86
Storstrøm	252 040	74
Bornholm	47 540	81
Fyn	431 290	124
South Jutland	237 850	60
Ribe	197 320	63
Vejle	304 910	102
Ringkøbing	240 480	50
Aarhus	526 640	115
Viborg	220 910	54
North Jutland	455 930	74
Denmark total	4 920 980	114

2) Development regions

The development regions (in Danish "egnsudviklingsområder"), which benefit from a regional policy, embrace a population equivalent to a third of the total population of the country, and half of the country's land surface (1).

...

(1) Cf Plate 3, p. 22

THE COUNTIES OF DENMARK

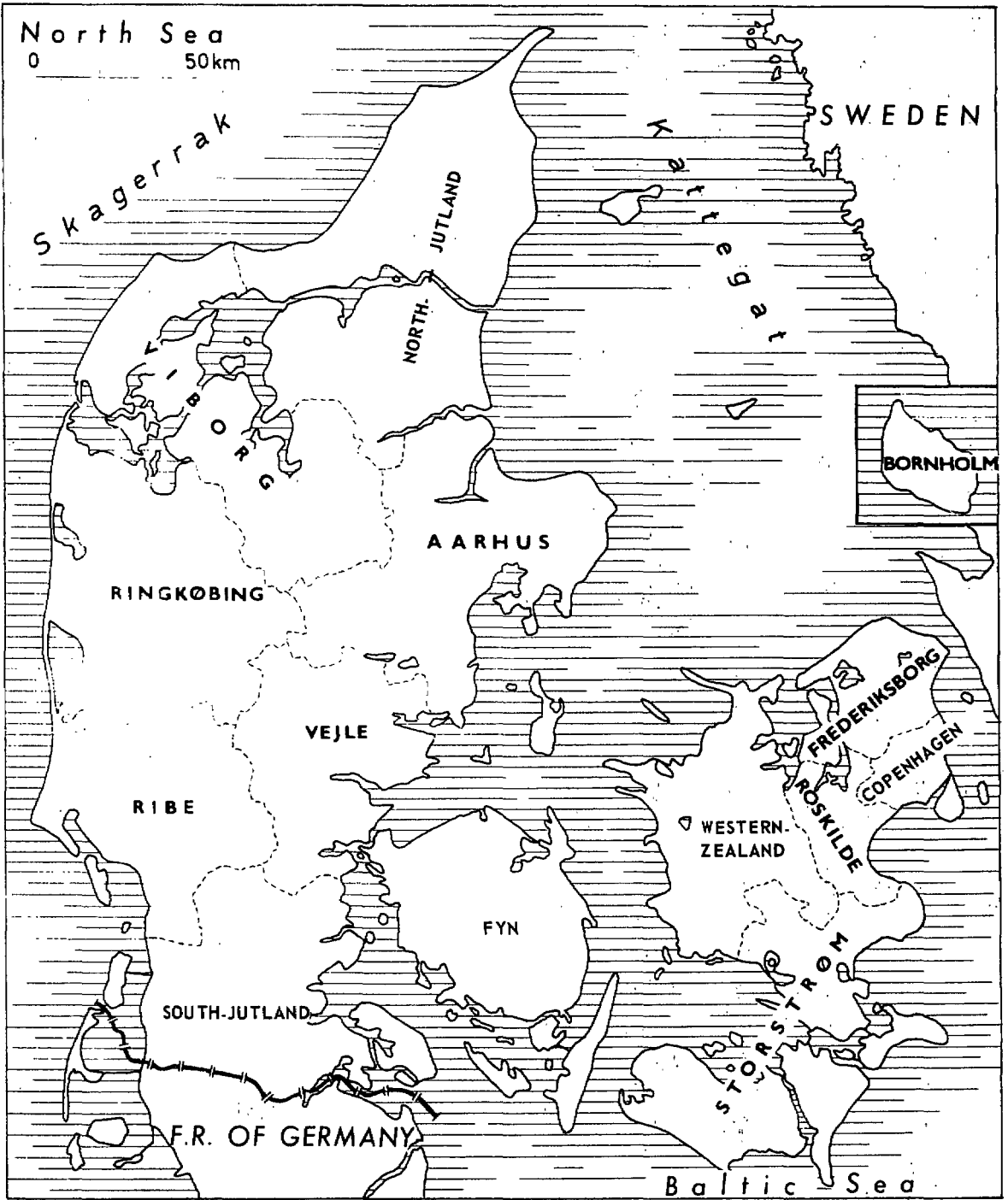


FIG. 1

II.- Regional economic structures

An analysis of the regional economic structures of Denmark must be based on a study of the groups. To this end, the National Planning Committee (Landsplanudvalget) has formulated several proposals for the country's regionalization : various proposals have been made for the reduction of the number of counties, totalling 25 before 1970, and currently totalling 14, even below this present level to a total of 8.

Some Danish statistics group counties together according to their geographical position. For brevity therefore, it was decided, in an outline preliminary analysis of regional structures, to depict the regional delimitation of Denmark through a description of the geographical configuration of the mainland and the island groups, as follows :

- 1) the group of islands to the East of the Great Belt, comprising mainly the islands of Zealand, Lolland, Falster and Bornholm;
- 2) the group of islands between the Little Belt and the Great Belt, comprising mainly the islands of Fyn and Langeland;
- 3) the Danish mainland, i.e. the Jutland Peninsula;
- 4) the Faroe Islands;
- 5) Greenland.

These regions are listed again below, together with the counties of which each is composed :

Regions	Counties
1) Zealand	Copenhagen, Frederiksborg, Roskilde, West Zealand, Storstrøm, Bornholm
2) Fyn	Fyn
3) Jutland	South Jutland, Ribe, Vejle, Ringkøbing, Aarhus, Viborg, North Jutland
4) Faroes	Faroes
5) Greenland	Greenland

The three regions comprising Denmark proper are shown in plate 2, p. 8.

THE REGIONS OF DENMARK

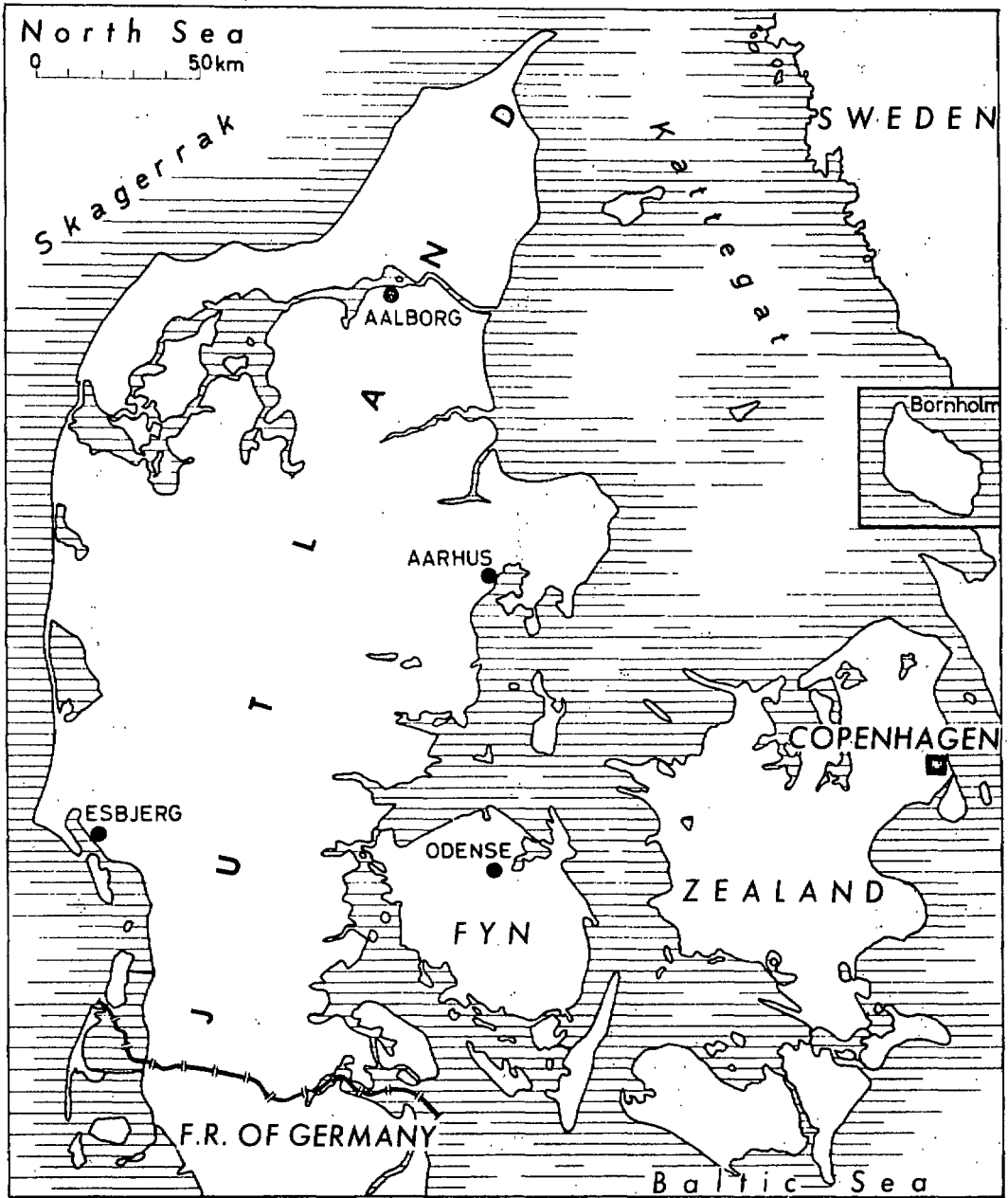


FIG. 2

1) Natural conditions

Denmark has an area of 43 000 sq.km., which is slightly larger than that of Belgium or of the Netherlands. It is mainly flat country, the highest point being less than 200 m. above sea level.

It is composed of a mainland, the Jutland Peninsula, and of an archipelago consisting of around 500 islands. On one of these, Zealand, which is in fact the largest of the group, is built the capital city, Copenhagen.

Denmark is the gateway to the Baltic Sea. From the North Sea, having navigated the Skagerrak and the Kattegat, shipping has to pass through the Sound, which washes Copenhagen, in order to reach the Baltic Sea. (The Sound is a channel which narrows to a breadth of less than 5 km. in the latitude of Elsinore).

But Denmark is also the highway to Scandinavia. While Norway and Sweden can be approached by sea, the quickest route from the South lies through Denmark and its islands by way of its bridges and transporter ferries.

Thus the country occupies a strategic position out of all proportion to its territorial importance, and to which it owes its economic structure. Does not the name Copenhagen (in Danish København) signify "Merchants' Port" ?

Quite different are the natural conditions obtaining in the Danish "Overseas Territories", i.e. the Faroe Islands and Greenland. Both are an integral part of the Kingdom and subject to its constitution. The territories are represented in the Danish Parliament (Folketing), but enjoy relative autonomy.

The Faroe Islands, whose area totals 1 300 sq.km. are situated in the North Atlantic, midway between Scotland and Iceland. These "distant islands" (translation of the Danish "Færøerne") are of volcanic origin, and were it not for the products of the surrounding sea, would be largely uninhabitable.

Greenland has an area of 2 500 000 sq.km., i.e. more than 50 times that of Denmark itself.

Greenland's northerly latitude, combined with a cold marine current from the Arctic, makes most of the island continent uninhabitable. A receiving current of the Gulf Stream warms the West coast, where the mean yearly temperature is zero degrees centigrade. Only the slight Western coastal fringe deserves to be called "green land".

2) Population

The natural environment described in brief above explains both the distribution of population and the migratory movements.

a) Regional distribution

Using the schema adopted for this study it becomes evident that the distribution of population among the three regions of Denmark proper shows a significant imbalance.

Population distribution in Denmark

Regions	Population	Area in sq.km.	Density
Zealand	2 300 000	9 500	242
Fyn	430 000	3 500	124
Jutland	2 200 000	30 000	71
Danemark	4 930 000	43 000	114
Faroos	40 000	1 300	30
Greenland	45 000	2 500 000	...

This imbalance can be characterized as follows.

The Zealand region, with 22 % of the Danish territory, contains 46 % of the population of Denmark proper. Within this "region" the three small counties grouped together as "North East Zealand" embrace a population of 1 750 000 within an area of 2 700 sq.km. and have, in other words, 6 % of the land area but 35 % of the population, with a consequent population density five times the national average. This imbalance stems basically from the presence of the capital city, Copenhagen, with 1.5 million inhabitants.

The population density of the Fyn region is slightly higher than the national average.

Jutland, however, whose area is almost equal to that of Belgium, has only 2.2 million inhabitants and a population density of 71 persons to the sq.km. But within the region, the counties along the West coast taken by themselves have a population density equal to half that of the peninsula's East coast counties.

It appears therefore that the further a county is from Copenhagen, the smaller its population will be. Moreover, with the exception of Copenhagen, Denmark has few cities. Aarhus, on the East coast of Jutland, is the second most important, with around 300 000 inhabitants.

The Faroe Islands have only 40 000 inhabitants, but the importance of the group should not be underestimated since, as the last Parliamentary elections showed, the Faroes were able to determine the composition of the Coalition government. Their major town is Thorshavn, with 11 000 inhabitants.

Greenland meanwhile, with around 45 000 inhabitants, has a population largely composed of Eskimos with only a thousand or so Danish inhabitants. It is to be remarked that Greenland is undergoing a very significant population growth with half the population under the age of 15.

b) Interregional migration

Within Denmark, interregional migration has Copenhagen for its chief destination. From 1950 to 1970 Copenhagen had a positive net migratory balance of the order of 7 000 persons per annum, which is equivalent to an annual rate of the order of plus 0.5 %.

The only other Danish county with a positive migratory balance is that of Aarhus on the East coast of Jutland. But here the phenomenon dates only from 1960, and has an absolute magnitude far smaller than that evident in the Metropolitan area.

Conversely, all other Danish counties have populations diminishing through migration, a problem which is particularly acute for the counties of North West Jutland as well as for some small islands such as Samsø and Møn and for parts of the island of Lolland.

3) Employment

Despite being endowed with an agriculture reputed to be one of the most productive in Europe, Denmark is above all a country with a service and industrial economy. Agriculture employs nevertheless 11 % of the total labour force. However, there exist quite substantial disparities between the regions in the distribution of the labour force throughout the various sectors of the economy.

Distribution of manpower among sectors by region
in percentages of regional labour force in 1960 and 1970

Regions	Primary Sector		Secondary Sector		Tertiary Sector	
	1960	1970	1960	1970	1960	1970
Zealand	9 %	5 %	40 %	38 %	51 %	57 %
Fyn	23 %	13 %	40 %	42 %	37 %	45 %
Jutland	29 %	17 %	35 %	37 %	36 %	46 %
Denmark	18 %	11 %	38 %	38 %	44 %	51 %
Faroes	37 %	28 %	26 %	30 %	37 %	42 %

The evolution of the employment situation during the last decade shows a drop in the share of agriculture (from 18 % to 11 %) and a corresponding growth in that of the tertiary sector (from 44 % to 51 %).

The present situation shows the importance still held by agriculture for the regional economy of Jutland (17 %), and especially with regard to its North Western counties, where the proportion varies from 20 % to 30 %. Jutland as a whole (with 44 % of the population of Denmark) occupies 68 % of the Danish agricultural labour force.

In the Faroes, the primary sector forms a large slice of the economy, but here the activity in question is fishing and not agriculture.

The Zealand region (with 47 % of the population of Denmark) occupies 49 % of the industrial labour force and 55 % of the labour force in the tertiary sector.

Again, the presence of Copenhagen is the vital factor here, since the Metropolis alone arrogates to its own use 38 % of the industrial labour force and 45 % of the labour force in the tertiary sector respectively of Denmark. Thus the importance of Copenhagen is again disproportionate to the size of its population, and that is in the most advanced sectors of the Danish economy.

4) Unemployment

Throughout the last decade unemployment has been of the order of 3 % per annum in mean terms.

The reader should note the following three points about the distribution of unemployment among the regions :

- it has been lowest in North East Zealand with Copenhagen (where it has reached about 1.5 %) and in the Aarhus area (where the figure has been 2 %);
- it has been highest in the North West of Jutland (where the figure varies from 9 % to 12 %);
- in other regions it has been slightly higher than the national average.

5) Level of development

For a study of regional levels of development the only tool available is statistical data on per capita income, calculated by dividing the sum total of incomes liable to tax by the number of inhabitants.

Per capita income in money terms and index numbers - 1970

Regions and counties	in Danish crowns	Index numbers Denmark = 100
- <u>Regional area of Zealand</u>		
North East Zealand	14 610	129
West Zealand	10 020	89
Storstrøm	10 020	89
Bornholm	8 790	78
- <u>Regional area of Fyn</u>		
Fyn	9 830	87
- <u>Regional area of Jutland</u>		
South Jutland	9 090	80
Ribe	9 250	82
Vejle	9 590	85
Ringkøbing	8 880	78
Aarhus	10 200	90
Viborg	8 070	71
North Jutland	8 840	78
-----	-----	-----
Denmark	11 290	100

Despite the debatable value of these statistics, they at least reveal disparities in the levels of development of the various regions of Denmark :

- only one area, North East Zealand, corresponding to the Greater Metropolitan Area of Copenhagen exceeds the national average;
- the second most developed county is that of Aarhus, containing the second largest town of Denmark;
- leaving aside the small Baltic island of Bornholm the least developed counties are all to be found on the West coast of Jutland. Viborg is an obvious case in point;
- the disparity between the most and the least developed counties is of the order of 58 %.

III.- Nature of regional problems

Denmark has a certain number of regional problems, which fall into the categories of problems in rural areas, fishery problems and problems arising out of the concentration of population in Copenhagen.

1) Rural areas

The proportion of the population actively engaged in agriculture is very similar in Denmark than the average for the enlarged European Community of Ten. Nevertheless, some of its regions, or, to be more precise, of its counties, depend on agriculture to quite a great extent.

The areas principally concerned are North West Jutland and, to some degree also, the islands of Lolland and Falster, where agriculture occupies more than 20 % of the total labour force.

As in all Western countries, agricultural employment is contracting steadily. At the beginning of the century 45 % of the total labour force was engaged in agriculture, but confining ourselves to the figures for recent years we note that even in 1955 the figure was as high as 25 %. At present the average age of farmers is 53. It is predicted that the number of independent holdings, which in 1951 was 206 000, and in 1969 was 146 000, will fall to 40 000 by 1980, while the number of agricultural labourers will fall to 60 000 persons. This contraction of employment has affected, and will affect to an ever greater degree, the country's rural areas, since Jutland alone accounts for 68 % of all those engaged in agriculture.

Moreover these areas must bear the triple yoke of quite significant migration levels, an unemployment rate three times the national average and incomes 30 % less than the national average.

A somewhat special problem is posed by those small islands forming part of the Danish Archipelago and suffering from very substantial migration in view of the almost complete impracticability of industrialization, which in turn arises out of communications difficulties.

Finally, the problem of South Jutland should also be mentioned. This county is often called North Slesvig since it is the Northern part of the old Duchy of Schleswig, whose Southern part is now incorporated in the (West-) German Land Schleswig-Holstein. This Danish county of 230 000 inhabitants, which depends to the extent of 18 % on the primary sector for employment opportunities, is the country's only frontier area. The problems common to such areas are found here.

2) Fisheries

Although not so large a producer as Norway, Denmark occupies no less an important place in the fishery industry. Her total catches are equal to those of France and the German Federal Republic combined.

In Denmark itself the main fishing ports are located on the West coast of Jutland, particularly in the counties of Ringkøbing and Ribe.

But it is above all in the Faroes and in Greenland that the fishing industry is concentrated.

In the Faroes fishing contributes one third of the region's Gross Domestic Product, while 95 % of its exports are in the form of fish or fish by-products.

Greenland similarly depends to a very large extent on fishing, which provides 90 % of the region's exports.

In all these regions not only is fishing a major activity, but other areas of employment are not open to development : in Jutland agriculture, in the Faroes sheep farming and in Greenland mining.

3) The concentration of population in Copenhagen

With a population of a little over 1.5 million inhabitants the Metropolitan Area accounts for 35 % of the country's population.

In no other country of the existing or enlarged European Community is such a percentage found.

Nor in any of these other countries is there to be found a similar domination of the capital over the rest of the country in the most advanced and remunerative activities of the economy.

IV.- Evolution of regional problems and regional policy
from 1958 to 1969

Regional problems in Denmark appear to have arisen during the 1950's and have expressed themselves in the ever increasing disparity between the Copenhagen area and the other areas of the country.

For one thing, the Capital attracts the major part of all new capital investment and of migrants from all areas.

Conversely, numerous areas of the North, West and South of the country have been having to face the contraction of agricultural employment, the consequent migration from the rural areas, and a rate of unemployment three times the national average. The only region to escape this progress has been that of Aarhus, second largest town of Denmark on the East coast of Jutland.

The first Danish Law on Regional Development dates from 1958. Its objective was to combat regional unemployment and to promote industrial growth in regions with a weak level of economic activities. However, the beginnings of this policy were somewhat timid since the legislation provided only for State underwriting of loans granted to concerns in certain areas. Moreover, there was no delimitation of the areas to receive benefits, this being left to the discretion of a "Regional Development Council".

In 1962, however, new measures were introduced to allow local authorities to finance industrial building.

But it was necessary to wait until 1967 for amending legislation to lay down criteria for the designation of areas to receive State aid. However, the new Law did not itself designate areas in the sense that there was any formal geographical delimitation, since it had not appeared possible to predict how far structural changes would affect the location of economic activities.

Alltogether, it does not seem that in the course of the last decade Danish regional policy has been able to solve the two vital problems of concentration around Copenhagen and the corresponding under-development of certain counties.

From 1960 to 1970 the position of North East Zealand in the Danish economy has become slightly more significant, as the following figures show.

Population growth of North East Zealand
(Copenhagen area) from 1960 to 1970

Years	Population	% of Denmark's total population
1960	1 593 400	34.9 %
1965	1 678 100	35.2 %
1970	1 748 600	35.5 %

Likewise, those counties which were least developed in 1960 have seen no fundamental improvement in their lot during the last decade.

Index of per capita incomes in
certain Jutland counties (Denmark = 100)

Years	Viborg	North Jutland	Ringkøbing
1960	70	78	74
1970	71	78	78

V.- Current regional policy (1972)

Current regional policy stems from the "Law on Regional Development", (Order 56 of the Ministry of Trade dated 25 February 1969). This legislation is examined below from the point of view of its objective, the geographical extent of its application, and of aid to the regions.

1) The objective of current regional policy

By virtue of the new legislation the objective is to "promote the industrial or economic development of the various areas of the country where such development can be considered essential if the local inhabitants are to benefit from the economic, social and cultural advances made by the community as a whole".

2) Geographical extent

a) Provisions of the new legislation

Article 5 of the 1969 Law on Regional Development states simply that "the Ministry of Trade will, on the advice of the Regional Development Council, designate as regions those areas of the country which it considers should benefit from the system of aid for which this Act makes provision".

The same Law also provides that the Regional Development Council will :

- take account of the developing situation in those areas which obtain no benefit under the Law's provisions and make any relevant proposals;
- establish criteria for the selection of regions where the law should be in application;
- and, with regard to loans to borough authorities for industrial building (See below : Regional aid), take into account whether the site proposed is capable of further development.

b) Regional selection

The Regional Development Council has selected areas for designation as regions on the basis of 5 criteria applied to each county :

- 1) extent of urbanization : percentage of the population living in communities of more than 1 000 persons;
- 2) level of industrialization : percentage of the population employed in industrial concerns with more than 6 workers;
- 3) level of incomes : average income per tax-payer;
- 4) rate of unemployment : average unemployment rate;
- 5) migration : net migratory balance as a percentage of natural increase.

Each of these criteria is calculated with the early 1960's as base period, and with due regard to subsequent developments. Altogether, nine index numbers were used.

A system of "points" is applied to all the results obtained, allowing for the classification of the counties according to the extent of their economic difficulties. This classification was based on county areas existing before the administrative reforms of 1970, and whose boundaries no longer correspond to those of presently existing counties.

Keeping in mind the new county boundaries the selection work resulted in the designation of regions facing the most serious problems. These are, to begin with the least developed : North West Jutland (comprising North Jutland and parts of Viborg), the island of Bornholm, the South Western part of South Jutland, the islands of Lolland, Falster, Langeland and Samsø, the remainder of the counties of Viborg, Ringkøbing, Ribe and South Jutland.

o) Selectivity in the designation of regions

On the basis of the studies of the Regional Development Council the Ministry of Trade decided to give aid selectively according to the gravity of the regional problem (1).

...

(1) See Plate 3, page 22

THE GEOGRAPHICAL AREA COVERED BY REGIONAL POLICY IN DENMARK

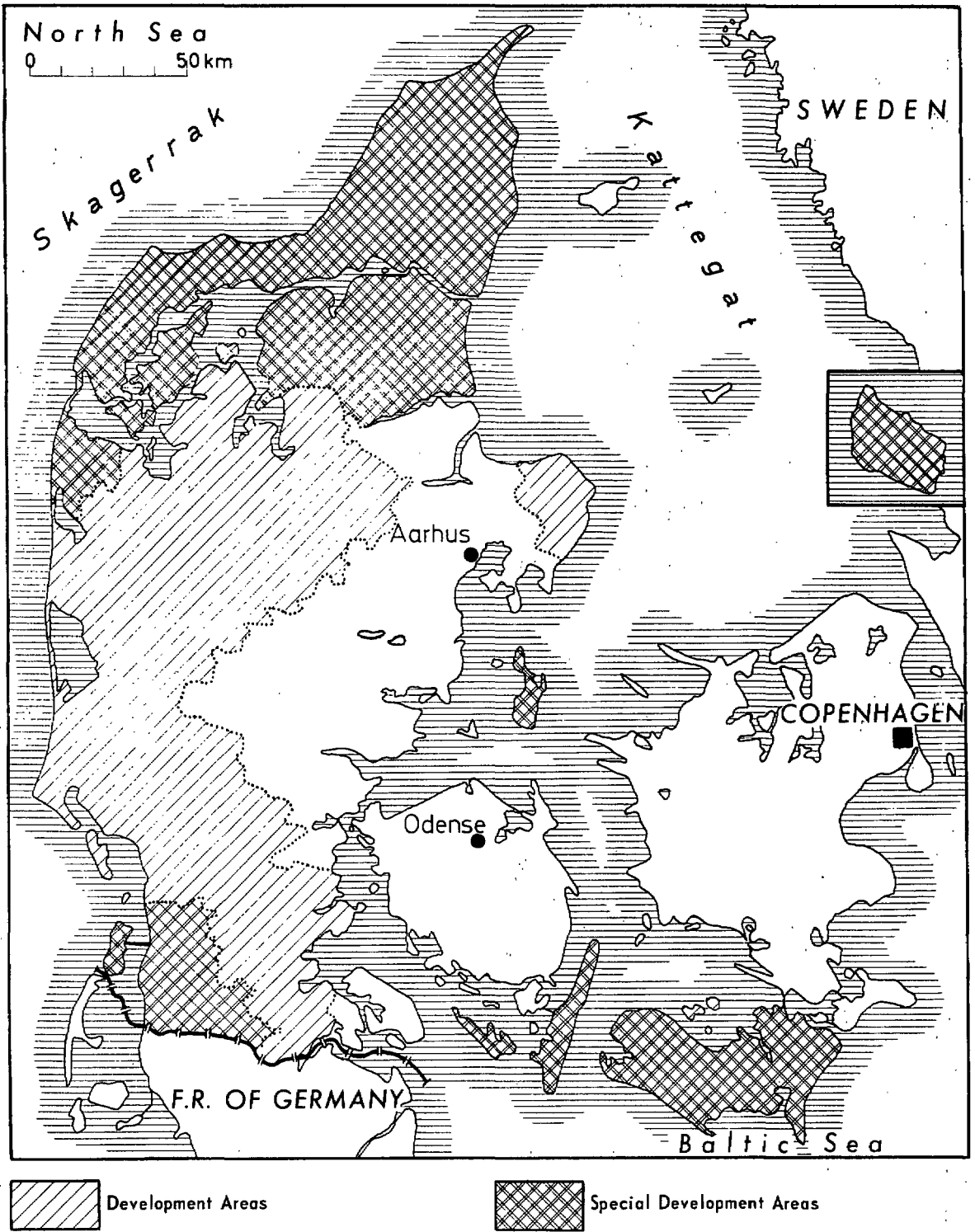


FIG. 3

The following regions are to be considered as special development areas and are, by virtue of this, to receive grants representing 25 % of capital expenditure :

- the county of North Jutland (as a whole);
- the county of Viborg (North Western part);
- the county of Ringkøbing (North Western part);
- the county of South Jutland (South Western part);
- the islands of Lolland, Falster, Bornholm and Samsø.

The following regions are to be considered as ordinary development areas and are, by virtue of this, to benefit from a system of State underwriting of loans :

- a large regional block extending over the central and Western parts of Jutland (in the counties of Viborg, Ringkøbing, Ribe and South Jutland)
- the North Eastern part of the county of Aarhus.
- the Faroes.

In its last Annual Report the Regional Development Council draws attention to a recommendation made to it by the Ministry of Trade to apply the provisions of the Law with particular vigour to North Jutland and Bornholm.

d) The structure of the development areas

Alltogether, the development areas have a surface area of 24 000 sq.km. (or 56 % of the total surface area of Denmark proper), and account for 1 432 000 inhabitants (or 31 % of the total population), who are divided more or less equally between ordinary development areas and special development areas.

The special development areas represent 26.4 % of the surface area and 15.5 % of the population.

The ordinary development areas represent 29.7 % of the surface area and 15.9 % of the population.

The structure of the Danish development areas

Counties *)	Area		Population in 1970		% of labour force employed in agriculture in 1960	Unemployment rate in 1970 as %	Index of incomes in 1970 (Denmark = 100)
	in sq.km.	in %	in thousands	in %			
<u>Ordinary Development areas</u>							
Viborg	2 992	6.9	221	4.5	39.3	3.8	80
Ribe	3 096	7.2	197	4.0	30.3	3.9	88
Ringkøbing	4 612	10.7	240	4.9	35.3	4.9	85
South-Jutland	2 130	4.9	123	2.5	30.0	4.0	85
Total	12 830	29.7	781	15.9	34.0	4.2	85
<u>Special Development areas</u>							
North-Jutland	5 819	13.5	456	9.3	30.0	9.1	79
Viborg	1 774	4.1	80	1.6	44.7	10.4	72
South-Jutland	1 386	3.2	42	0.9	42.3	5.7	77
Storstrøm	1 795	4.2	126	2.6	30.3	5.4	88
Bornholm	588	1.4	47	1.0	31.0	6.2	82
Total	11 362	26.4	751	15.5	39.0	7.3	82
Denmark	43 069	100	4 921	100	17.7	2.9	100

*) or parts there of as the case may be

3) Regional Aid

State aid to the development areas falls into the following three categories :

- 1) Underwriting of :
 - a) loans for capital expenditure;
 - b) loans for working capital;
 - c) rationalization study loans.
- 2) Loans for :
 - a) industrial building;
 - b) capital expenditure.
- 3) Grants for :
 - a) capital expenditure;
 - b) undertakings in distress;
 - c) surveys;
 - d) vocational readaptation.

1) Underwriting of loans

a) for capital expenditure

The State is empowered to underwrite loans granted to industrial undertakings or firms in the service sector, to help cover capital expenditure on plant establishment, transfer, extension, rationalization or conversion. A maximum of 90 % of the capital expenditure resulting from a project may be underwritten, generally for a period of less than 30 years.

b) for working capital

The State is empowered to underwrite loans designed to provide firms with working capital, but will only do so for firms for which it has already underwritten a loan for capital expenditure, (See a) above) or which have received a borough authority loan for industrial building, and then only for a period not exceeding 5 years.

c) for rationalization studies

The State is also empowered to underwrite loans obtained by undertakings with a view to financing rationalization studies.

2) Loansa) for industrial building

Boroughs are entitled to State loans for the purpose of financing industrial building. The loans are for 75 % of the cost of the project, the remaining 25 % of the cost to be borne by the borough.

For their part, the boroughs may sell or lease plant. Generally plant is confined to an area of not more than 10 000 sq.m. per project.

b) for capital expenditure

Where an undertaking has been unable to obtain a loan on the open market on normal terms, even though it could count on State underwriting of the loan, (See 1) a) above), this loan may be obtained from the State.

3) Grantsa) for capital expenditure

Capital expenditure of undertakings (for definition of capital expenditure see 1) a) above) benefits from a State grant amounting to 25 %.

This grant is only accorded to the most disadvantaged areas, the "special development areas".

The grant must be taken into account in the calculation of taxable income for a period of ten years, reckoning from the fiscal year in which it is made.

b) undertakings in distress

Industrial undertakings which, since they were established, expanded or converted, have suffered financial setbacks and which are located in "special development areas", can benefit from a grant to cover deficit spending.

c) surveys

Grants may be made to finance surveys, or to realize projects of general interest for the development of a region, or for the functioning of regional development committees.

d) vocational readaptation

The Ministry of Labour makes grants to help retrain workers in regions, to be developed.

VI.- Regional programming

1) The beginnings of programming

Recognition of the usefulness of national programming in Denmark dates from 1961, when the "National Planning Committee" was founded with the object of "defining certain guidelines for the placing of investments from public funds where there would be important repercussions on the location of economic activities and on subsequent urban development". A draft plan was completed in 1962 and since then several published studies have appeared including, in 1970, the "Present state and future prospects of National Programming for Denmark" (1) which, in the authors' own opinion "does not claim to be an overall plan or programme for the next fifteen years, but sets out to be an introduction to a public discussion of the scope and objectives of State intervention".

Although "national" by designation, this study is in fact an analysis of problems and prospects at county level.

It recommends the establishment of regional programmes, for which purpose the improvement of regional statistical data and a decentralization of the task of establishing programmes at county level appear to constitute a sine qua non.

2) North Jutland

The only attempt to date in the field of regional programming has been the completion of a study on North Jutland, one of the most disadvantaged counties of Denmark. The problems of unemployment and migration produced superficial proposed solutions in the form of development incentives.

...

(1) Landsplanlægning. Status og fremtidsperspektiver. Landsplanudvalgets Sekretariat, Copenhagen, 1970

The study, published in 1966 (1) :

- attempts to outline the motivating forces behind location of economic activities in this region;
- indicates the extent of the difference between local living conditions in this region and those obtaining throughout the rest of the country;
- provides a glimpse of measures which might form part of a concerted effort to utilize existing resources,
- assesses the measures required to raise the region's standard of living to that of the rest of the regions by 1985.

The programme itself for North Jutland is still in its preliminary stages.

...

(1) Industriens beliggenhedsvalg i Nordjylland (selection of industrial locations in North Jutland), Landsplanssekretariatet, Copenhagen 1966.

VII.- Town and country planning

In a land fragmented into around 500 islands, on which more than half the population lives, problems of town and country planning are of vital importance.

The main problem is that of ensuring adequate communications throughout the land. It is almost a truism that regional communications and development policy can be resolved into the problem of bridge-building, or else of ensuring ferry or transporter ferry services over waterways.

If Denmark has been able to profit from its position as the Southern Gateway to Scandinavia, it has done so thanks to the quality of its internal communications. In this connection studies are in progress on two vast projects for permanent links between :

- on the one hand, Zealand and Southern Sweden, across the Sound;
- and on the other, between Zealand and Fyn across the Great Belt.

The realization of these projects would finally eliminate gaps in Denmark's cross-channel links. The relative situation of the most developed areas of the country would also be improved.

There is also question of creating a new international airport on the small island of Saltholm to serve the whole of Scandinavia. Saltholm is situated in the Sound, just off Copenhagen, and its development to take the world's largest machines would doubtless further reinforce the position of the Capital. The project is likely to be under way by 1978 and to be completed by 1985.

In another area nothing, it will be remembered, has been undertaken in the field of communications and development to put the brake on the escalating concentration in the Capital. However, we have seen administrative decentralization in the particular form of the transfer of certain public authorities to the Provinces . A case in point is that of the "Regional Development Directorate", (Dirktoratet for Egnsudvikling), which was transferred to Silkeborg in the county of Aarhus. Similar plans are afoot to establish a new university on the West coast of Jutland at Esbjerg in the county of Ribe.

VIII.- Regional policy - responsible institutions

1) Central Administrations

The higher authority responsible for regional policy is the Ministry of Trade. The Ministry decides on policy orientation and nominates the President of the Regional Development Council.

This Regional Development Council (Egnsudviklingsrådet) is responsible for application of the Law on Regional Development. It is composed of representatives of the bodies named below in addition to its President, nominated by the Ministry. The bodies concerned are :

- the Ministries of Trade, Finance, Labour, Housing and the Interior;
- the Federation of Danish Industries;
- the Labour Economic Council;
- the Danish Towns Association, the Federation of Danish Local Councils, the Association of Municipalities;
- the main regional development committees.

Finally, the Council's day-to-day working is managed by the Regional Development Directorate (Direktoratet for Egnsudvikling).

2) Regional Administrations

Though the counties play no role in regional policy, the influence of the boroughs is felt in matters of industrial building.

There are in existence a number of regional consultative committees, to which problems of the particular region may be referred. These are the :

- South Jutland Economic Council (Sønderjyllands Erhvervsråd);
- West Jutland Development Council (Vestjyllands UUdviklingsråd);

- North Jutland Economic Council (Nordjyllands Erhvervsråd);
- Maribo District Regional Development Committee (Egnsudviklingsudvalget for Maribo amt);
- Bornholm Economic Council (Bornholm Erhvervsråd).

IX.- Results of regional policy

1) Cost of the policy

The Regional Development Council's Annual Report is a store-house of figures relating to the volume of aid granted by the State in its various forms of loans, their underwriting, or grants.

a) Loans underwritten

From 1958 to 1971 the State underwrote 379 projects for a total sum of 444 million Danish crowns. In decreasing order of importance these projects were in the metallurgical, food, wood and cement industries.

b) Grants

Capital expenditure grants were only introduced into Danish regional legislation in 1969. From then up to 1971 51 grants were made to the value of 33 million Danish crowns. Half of this sum was invested in North Jutland alone.

In all, loans were underwritten and grants made for operations representing an investment of 1 078 million Danish crowns.

c) Loans for industrial building

From 1963 to 1971, 115 loans were made for a sum of 126 million Danish crowns.

d) Jobs created

Basing its estimate on the fact that each job requires the investment of 100 000 crowns, the Ministry of Trade calculates that Danish Regional Policy has up to now helped to create about 11 000 new jobs or so.

2) Limits of the policy

In its last Annual Report the Regional Development Council acknowledged that the location of industry is subject to other than purely economic considerations. Thus, in its opinion, its own role is limited, and an effective policy in this direction is only possible when conducted hand in hand with town and country planning.

B I B L I O G R A P H YI. Official publications

- Bekendtgørelse af Lov om egnsudvikling (Promulgation of the Law on Regional Development). Order 56 of the Ministry of Trade dated 25 February 1969.
- Landsplanlægning. Status og fremtidsperspektiver (National Programming. Present state and further prospects) Landsplanudvalgets sekretariat, Copenhagen 1970.
- Industriens beliggenhedsvalg in Nordjylland (Selection of industrial locations in North Jutland), Landsplanssekretariatet, Copenhagen 1966.
- Beretning fra Egnsudviklingsrådet for tiden fra 1. april 1970 til 31. marts 1971, (Regional Development Council's Report for the period 1 April 1970 to 31 March 1971), Silkeborg, October 1971.
- Regionale Befolknings-fremskrivninger 1970-2000 Amts-Kommuner (Regional population projections by county 1970-2000), Landsplanudvalgets Sekretariat, 1971.
- Ministry of Trade : various statistics.

II. Other works

- O.C.D.E. : Caractéristiques des politiques de développement régional des pays scandinaves, Paris, July 1968.
- E.F.T.A. (European Free Trade Association) : Regional Policy in EFTA. Industrial Mobility, Geneva, 1971.

Contents

	<u>Pages</u>
I. <u>Regional delimitation</u>	4
1) Administrative regions	4
2) Development regions	5
II. <u>Regional economic structures</u>	7
1) Natural conditions	9
2) Population	10
3) Employment	12
4) Unemployment	13
5) Level of development	13
III. <u>Nature of regional problems</u>	15
1) Rural areas	15
2) Fisheries	16
3) The concentration of population in Copenhagen	16
IV. <u>Evolution of regional problems and regional policy</u> <u>from 1958 to 1969</u>	18
V. <u>Current regional policy (1972)</u>	20
1) Objective of the policy	20
2) Geographical extent	20
3) Regional aid	25
VI. <u>Regional programming</u>	28
1) The beginnings of programming	28
2) North Jutland	28
VII. <u>Town and country planning</u>	30

VIII. <u>Regional policy - responsible institutions</u>	31
1) Central Administrations	31
2) Regional Administrations	31
IX. <u>Results of regional policy</u>	33
1) Cost of the policy	33
2) Limits of the policy	34
Bibliography	35