

# Denmark

## Recent policy developments

- The Ministry of Housing, Urban and Rural Affairs was established in 2011 and, among other tasks, seeks to better promote both urban and rural development, and improve the interaction between urban and rural areas.
- The Danish government has commissioned eight “growth teams” with members from industry and has made specific growth plans for each of the following eight areas: The Blue Denmark; creative industries and design; water, bio and environmental solutions; health and care solutions; energy and climate; food sector; ICT and digital growth; tourism and experience economy ([www.evm.dk/English/publications](http://www.evm.dk/English/publications)).
- Several initiatives have been taken to address the depopulation of rural and remote areas and agglomeration in large cities, including: introducing growth plans for tourism (2014) and food products (2013); reserving EUR 3.7 billion to improve railway connections between large cities and to reduce travel time from the areas; and adjusting the redistribution system between municipalities to better reflect the challenges in rural and remote areas.
- After a recent evaluation of the 2007 regional reform, the Business Development Act has been adjusted: the number of regional growth forums, which bring together representatives of the business community, knowledge and educational establishments, the labour market parties as well as local and regional authorities, has been sustained. Furthermore, the role of the Danish Growth Council has been strengthened with regard to benchmarking and measuring the performance of the regional effort for regional growth.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Unitary	98		5

Regional development policy	
Lead ministry(ies) or committees	Ministry of Business and Growth; Ministry of Housing, Urban and Rural Affairs
Regional development framework	The 2005 Business Development Act sets the framework for a growth-oriented approach towards regional development, including the creation of the public-private Regional Growth Forums.

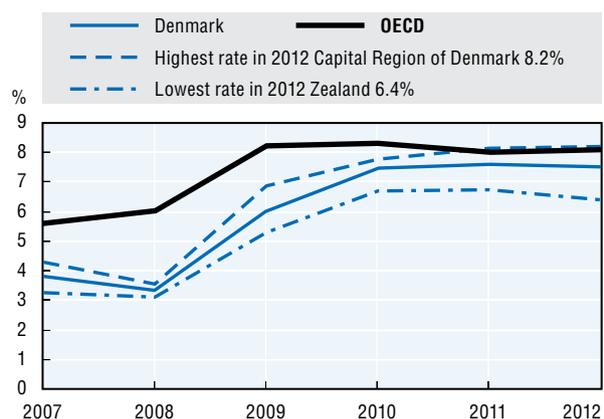
  

Urban development policy	
Lead ministry(ies) or committees	Ministry of Housing, Urban and Rural Affairs
Urban policy framework or strategy	No single framework. The Danish Act on Urban Renewal and Urban Development serves as a tool for the Danish municipalities to make targeted efforts in urban and housing policy.

Rural development policy	
Lead ministry(ies) or committees	Ministry of Food, Agriculture and Fisheries; Ministry of Housing, Urban and Rural Affairs
Rural policy framework or strategy	The partnership agreement 2014-2020 between Denmark and the European Commission provides the common strategic framework for the implementation of the European Structural Investment Funds in Denmark, including the overall framework for rural development policy.

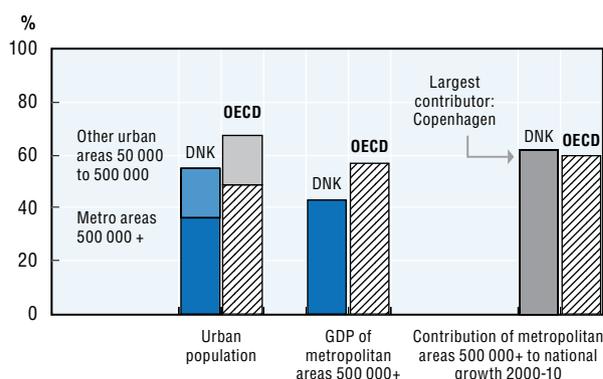
### Regional disparities in unemployment trends



In Denmark, the Capital Region had the highest unemployment rate (8.2%) in 2012. As for the OECD average trend, the youth unemployment rate has increased and reached 15% in Region Zealand in 2012

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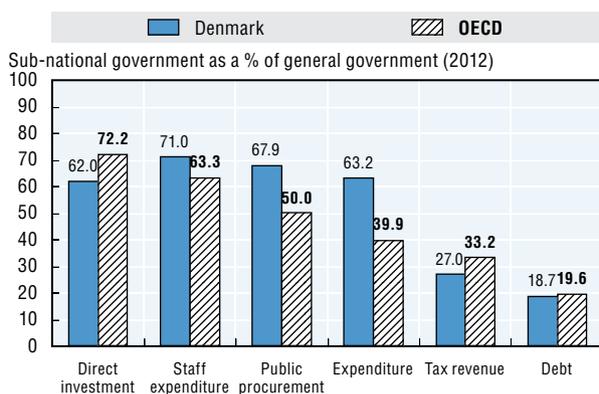
### The importance of urban areas



In Denmark, 55% of the population lives in cities of different sizes. The share of population in the metropolitan area of Copenhagen (the only urban area with more than 500 000 inhabitants) is 36%, compared to 49% in the OECD area.

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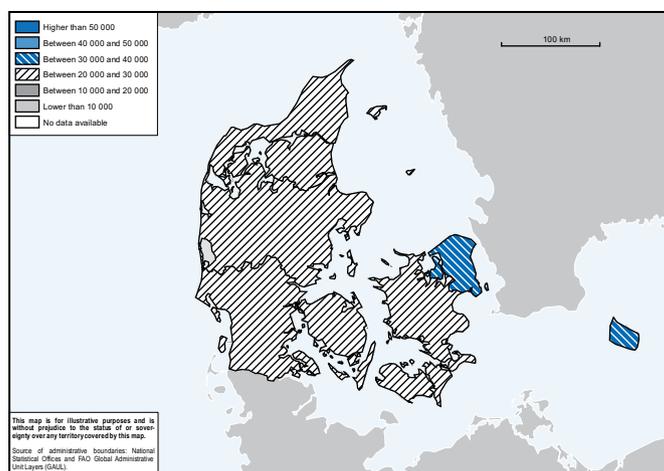
### The role of sub-national governments in public finance



Social protection and health are the two largest spending items for SNGs in Denmark: together, they represent 78% of sub-national expenditure, compared to 30% in the OECD area.

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### Regional differences in GDP per capita levels



Denmark had the 19<sup>th</sup> largest regional disparities in GDP per capita in the OECD in 2010. In the previous decade, regional growth was below the OECD average and varied from +0.9% annually in the Capital Region to +0.1% in Northern Jutland.