

## SUSTAINABLE WELFARE SOCIETY DENMARK – A ROLE MODEL FOR ENVIRONMENTAL POLICY

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### Abstract

*This paper examines the concept of a sustainable welfare society, drawing on Denmark as an example. Where social quality and distributional justice are achieved through sustainable practices that respect the finite nature of natural resources and the environment. This study highlights how a nation can successfully balance economic development and environmental sustainability by adopting renewable energy sources, particularly wind energy and biofuels, to reduce greenhouse gas emissions and achieve absolute decoupling of economic growth from environmental harm. Despite significant advancement, this paper also explores the broader global implications of climate change and the challenges in aligning social policy with sustainability goals, particularly in the context of ASEAN nations, where financial, geographical, and regulatory barriers restrict the transition to cleaner, greener energy systems. The paper emphasizes the importance of public-private partnerships, policy frameworks, and innovative governance models in achieving the Sustainable Development Goals (SDGs) and ensuring a long-term, sustainable welfare state. Finally, it addresses the importance of reforms and global cooperation in overcoming the multifaceted challenges of energy transition, underscoring the need for a coordinated effort to foster green growth and tackle climate change on a global scale.*

**Keywords:** Sustainable welfare society, distributional justice, sustainability, natural resources, renewable energy, wind energy, biofuels, greenhouse gas emissions, economic development, climate change, policy implementation, public-private partnerships, sustainable growth, sustainable development goals (SDGs), ASEAN, energy model, energy efficiency, absolute decoupling, energy transition, carbon emissions, climate policies.

### What is a sustainable welfare society?

The idea of the 'sustainable welfare society' is described as a society where a high level of social quality within social structures and distributional justice is achieved in a sustainable manner, given finite natural resources and environments. (Jstor n.d.)



## Significance of the Study

Environmental concerns, which were raised as early as the 1970s, keep being ignored in the present world we have created, where resource consumption is way more than its actual availability. Although much recent research suggests that one cannot generalize Western production and consumption standards to the rest of the world due to ecological and planetary limits, neither policy makers nor welfare scholars have paid much attention to the relevance and potential implications of environmental sustainability issues for social policy and welfare theory. (Koch 2019). The issue of climate change and global warming is largely being ignored by societies as a whole and governments and this issue keeps on escalating while the climate worsens each year. The reason for choosing Denmark is because it outshines the more developed nations like the US and China when it comes to sustainable development and proves that technological advancement and economic development can be achieved by using sustainable and renewable sources of energy without damaging the environment.

## Applicable Development Theories

### Modernization Theory

Sustainable development theory means meeting human needs while simultaneously sustaining the ability of natural systems and availability of natural resources. In this regard, Denmark has been quite successful in creating an energy model that is efficient, innovative, and sustainable by devising climate policies that are focused on sustainable and renewable sources of energy.

### Sustainable Development Theory

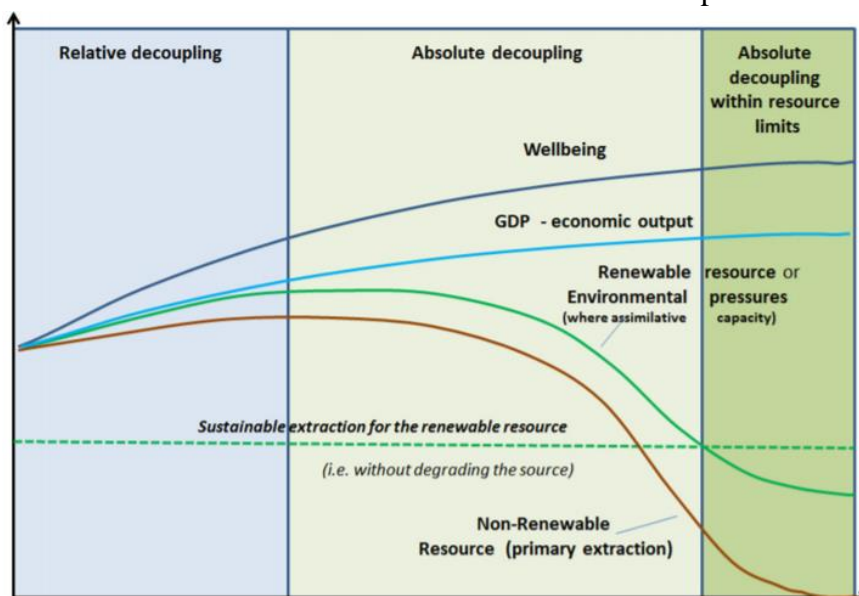
Modernization theory depicts the process or transition of pre-modern/traditional societies to modernized societies by the influence of technology. In this case, Denmark is a true depiction of adopting this theory not just in terms of technological advancement but in the way of their democratic nationalism, being a heterogeneous nation in terms of cultural codes and ethics, their pro-modern movements which always favored science, new innovative technology, education, and a progressive public sphere which ensures social security. (Skirbekk 2018)

### Denmark: A Sustainable Welfare State

Despite being a small country, Denmark is one of the richest nations in the world in terms of GDP per capita. The Danish Energy Model has proven to be efficient, cost-effective, and innovative and has shown that economic growth can be achieved with limited use of fossil fuels and sustaining the environment. Denmark's energy consumption is the lowest in the world as compared to its gross national output.

Denmark has achieved its target of reducing greenhouse gas (GHG) emissions as mentioned under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC).

The country has also managed to achieve "Absolute Decoupling" – a term which

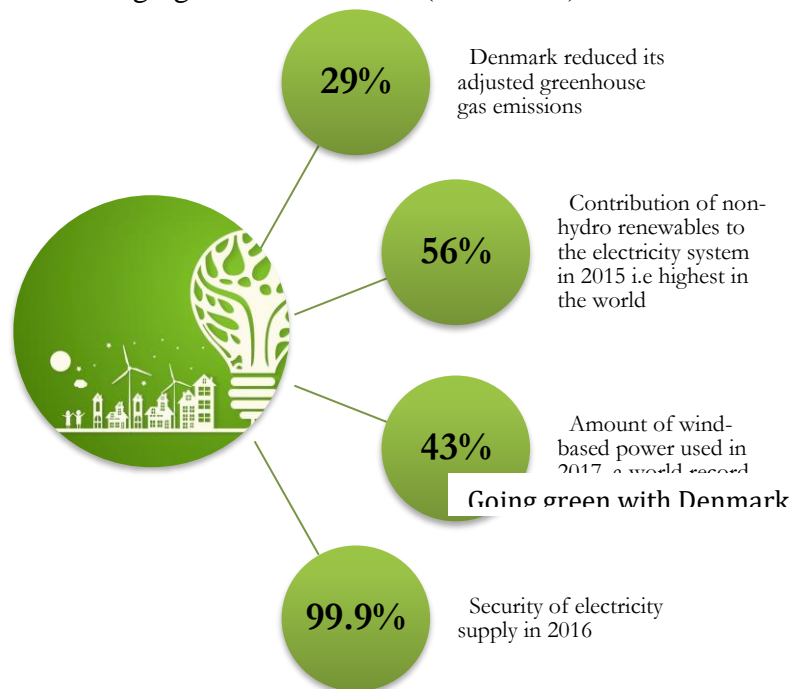


means breaking the link between environmental impacts and economic prosperity where economic growth or development does not occur at the expense of damaging the environment. (Green n.d.)

### Denmark's Achievements & Its Social Impact

There has been an **8%** decline in the gross energy consumption in Denmark between 1990 and 2015. It was due to a 28% drop in fossil fuel consumption which constituted a **6%** increase in contribution from wind energy and a **14%** from biofuels and other renewable energy sources.

As for CO2 emissions related to energy, there has been a 36% drop in which the main contributors since 1990 is energy conversion (electricity and heat generation) by 56% mainly due to an almost tripling of energy generated from renewable energy sources, plant efficiency and CHP plants.



### Denmark's Climate Policies

| Policy framework  | Relevance to climate envelope   |
|---|---|
| <b>Danida Green Growth Guidance (2014)</b>                                    | Provides guidance to Danida staff on mainstreaming green growth into strategy and program design.   |
| <b>A Greener World for All (2013)</b>   | Sets out Danida's natural resource, energy and climate change strategy. Promotes rights-based approaches, multilateral engagement, energy, climate change, sustainable resource management.   |
| <b>Danish Climate Policy Plan (2013)</b>                                      | National strategy on low carbon development, setting out key policy objectives and sector reduction targets.  |
| <b>Strategic Framework for Priority Area Growth and Employment 2011 -2015</b> | International economic development strategy promoting sustainable development, identifying energy and water technologies as a key area for commercial development, and committing Denmark to promoting Green Growth and minimizing the impacts of climate change. |

### Challenges in Policy Implementation

A policy can be fool-proof in its initiation, have a clear vision, and all the required resources to be carried out yet it still might fail at the implementation stage. In the case of the Danish Climate change policy the main problem was that of the absence of a clear strategy which created early challenges in the agreeing

priorities, as a consequence created a difficult working relationship between the Ministry of Foreign Affairs and the Ministry of Climate Change and Energy. Their approach was too broad, and allowed too much flexibility in program orientation making it more difficult to develop an integrated strategy across the two implementing ministries, decreasing the potential for synergies, and reducing the opportunities for maximizing mitigation, adaptation, and development. Furthermore, Danish international climate policy has not been successful in providing added value or leadership to international partners and donors. (Evaluation of Denmark's Climate Change Funding to Developing Countries 2015)

#### **ASEAN's Renewable Energy Challenges**

The Association of Southeast Asian Nations (ASEAN) has set an ambitious target of obtaining 23% of its primary energy from renewable sources by 2025 because their energy demand in the region is expected to increase by 50%. (Team 2019)

Countries in Southeast Asia cannot completely adopt their energy model or implement the same climate action plan as Denmark because it is a small country, with great financial resources available to them. Yet, with the rapidly declining cost of renewable energy generation via methods such as wind and biofuels (primarily used by Denmark as the main renewable source of energy) and solar photovoltaic (PV), the Southeast Asian region can have the opportunity to meet its immense electricity demand in a cost-effective and sustainable way.

Southeast Asian countries are already striving hard to achieve sustainable growth starting from within their local manufacturing industries. For example, Malaysia is already the world's third-largest producer of photovoltaic cells, while investment in Thailand's solar manufacturing industry is increasing PV output for global markets. The economy of these countries can achieve higher growth by deploying more renewable energy in the region. However, rising energy needs and ever-changing supply-demand dynamics are creating many challenges for the policy-makers in Southeast Asia.

- **Lack of financial support:** The development of renewable energy projects in the region is quite an expensive burden for the ASEAN countries to bear. The lack of financial support, mainly through public funding as there is way less interest in investing in the energy sector as compared to the other sectors. There is also a lack of expertise when it comes to evaluating the risk of renewable energy investment especially in countries like Malaysia, Vietnam, and Indonesia.
- **Geographical and technical conditions:** The renewable energy project developers in Southeast Asia face the challenge of regulating the proper use of land and the subsequent environmental impact. For example, in the case of Indonesia and Philippines which are both archipelagic in nature, it restricts the deployment of effective renewable energy and results in fragmented electricity grids.
- **Lack of regulatory framework:** It is another major challenge when it comes to introducing and developing renewable energy projects. In the case of Brunei, for example, there is no specific policy framework in place to regulate the development of renewable energy.
- **Lack of coordination:** There is a lack of coordination between government agencies and the private sector in most developing countries.
- **Complex bureaucracy:** In Indonesia, the State Electricity Company monopolizes the transmission, distribution, and system operation of electricity, and dominates the local electricity generation market which prevents the interests of potential investors.
- **Lack of awareness and public support:** It also contributes to the challenges faced by ASEAN member states as a lack in awareness about the potential benefits of renewable energy towards environment conservation for a cleaner and greener future are usually considered secondary

concerns and there is a level of ignorance when it comes to the topic of global warming and climate change. (Team 2019)

## Recommendations

- **Green Investment** - Policy makers and other development actors should prioritize investment in clean, reliable, and affordable energy as a pillar of development across the region. State actors need to allocate sufficient budgets to carry out projects to minimize energy consumption without affecting their economic growth. Public funding is one way in which ambitious energy projects can be executed.
- **Public Awareness** - In order to achieve sustainable development, nations and societies as a whole need to take the issue of climate change seriously. It is the state's responsibility to take action and develop and implement policies which are in the best interest of the citizens. For instance, Pakistan's prime minister Imran Khan envisioned a "clean green Pakistan" for which he introduced a reforestation project which aimed to plant 10 billion trees across Pakistan by 2030. Due to his "Billion Tree Tsunami" vision, Pakistan has achieved its UN Sustainable Development Goal for protecting the environment and holding off climate change a decade before the deadline. (Environment 2020)
- **Public-Private Partnerships** - Collaboration between the public and private sector is imperative and these models have proved a highly successful way of devising solutions to many of the sustainable development challenges. This sort of partnerships in the political and economic domains work in a way as the government is the direct link to the citizens while devising policies which are more suitable to their needs whereas, the private entities have the vision and resources to execute such policies. These effective partnerships have been utilized when developing Danish legislation for the green transition. They allow governments to enact regulations and programs with the support of the industry, while they ensure successful implementation and compliance.
- **Reforms** - Reforms tend to lead to a Sustainable Welfare State which not only keeps social services up to the mark but also takes account of the sustainability of economic developments. For example, The Danish Government has been quite successful in influencing the policy objectives of its multilateral partners and institutions. Their Energy Sector Management Assistance Programme (ESMAP) has successfully developed sustainable energy and fossil fuel reform. This program has been identified as a strategic focus in 'A Greener World for All'. (Evaluation of Denmark's Climate Change Funding to Developing Countries 2015)

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