

McDonald's Workers in Denmark Pity Us

Danes haven't built a "socialist" country. Just one that works.



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President Trump thunders that Democrats are trying to drag America toward "socialism," Vice President Mike Pence warns that Democrats aim to "impose socialism on the American people," and even some Democrats warn against becoming, as one put it, "[expletive] Denmark."

So, before the coronavirus pandemic, I crept behind [expletive] Danish lines to explore: *How scary is Denmark? How horrifying would it be if the United States took a step or two in the direction of Denmark? Would America lose its edge, productivity and innovation, or would it gain well-being, fairness and happiness?*

So, here, grab a Danish, and we'll chat about how a [expletive] progressive country performs under stress. The pandemic interrupted my reporting, but I'd be safer if I still were in Denmark: It has had almost twice as much testing per capita as the United States and fewer than half as many deaths per capita.

Put it this way: More than 35,000 Americans have already died in part because the United States could not manage the pandemic as deftly as Denmark.

Denmark lowered new infections so successfully that last month it reopened elementary schools and day care centers as well as barber shops and physical therapy centers. In the coming days, it will announce further steps to reopen the economy.

Moreover, Danes kept their jobs. The trauma of massive numbers of people losing jobs and health insurance, of long lines at food banks — that is the American experience, but it's not what's happening in Denmark. America's unemployment rate last month was 14.7 percent, but Denmark's is hovering in the range of 4 percent to 5 percent.

"Our aim was that businesses wouldn't fire workers," Labor Minister Peter Hummelgaard told me. Denmark's approach is simple: Along with some other European countries, it paid companies to keep employees on the payroll, reimbursing up to 90 percent of wages of workers who otherwise would have been laid off.

Denmark also helped hard-hit companies pay fixed costs like rent — on the condition that they suspend dividends, don't buy back stock and don't use foreign havens to evade taxes.

Some of the \$3 trillion that the United States has poured into unemployment benefits, stimulus payments, business rescues and industry bailouts has gone to worker retention, but the attention to avoiding layoffs is far less serious.

As a share of G.D.P., Denmark's coronavirus relief spending is a bit less than America's, but it seems more effective at protecting the population.

The upshot is that Denmark staggered through the pandemic with employees still on the payroll and still paying rent. As the economy sputters back to life, Danish companies are in a position to bounce back quickly without the cost of having to rehire workers.

"We can be up and running in a week, back where we were," explained Peter Lykke Nielsen, a negotiator for unionized workers at hamburger chains. This European approach to avoiding unemployment won admiration in Washington, and not exclusively from liberals: Senator Josh Hawley, a Republican from Missouri, advocates something similar in the United States.

Some Americans cite Sweden as a model for coronavirus response because it has not imposed a major lockdown. But, in fact, Denmark, separated from Sweden by a bridge, has been far more successful: Denmark's death rate from Covid-19 per million people is less than one-third of Sweden's, and forecasters predict that Denmark's economy will do better than Sweden's this year.

Denmark, by saving lives, has also saved its economy, at least so far.



Muhammad Abu Sayeed, in November in front of the Copenhagen McDonald's where he was working, has sympathy for his American counterparts. Mathias Svold for The New York Times

Covid-19 will not last forever, and skeptical Americans may think that [expletive] Denmark coddles workers in ways that hobble economic dynamism and ultimately hurt workers themselves. I raised that argument with a McDonald's worker I met in Copenhagen, Muhammad Abu Sayeed, a Bangladeshi immigrant. He looked at me quizzically.

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Starting pay for the humblest burger-flipper at McDonald's in Denmark is about \$22 an hour once various pay supplements are included. The McDonald's workers in Denmark get six weeks of paid vacation a year, life insurance, a year's paid maternity leave and a pension plan. And like all Danes, they enjoy universal medical insurance and paid sick leave.

One reason Denmark was more effective than the United States in responding to the crisis is that no Dane hesitated to seek treatment because of concerns about medical bills.

Abu Sayeed knew that Americans working in fast food don't do so well. "I heard about the movement," he said, trying to remember its name. "Fight for something. Fight for \$20? What was it?"

"Fight for \$15," I explained. "They want \$15 an hour."

There was an awkward silence. He nodded sympathetically. Then he tried not to sound condescending.

"I feel for them," he said earnestly of American workers at McDonald's. "We are from the same brand."

Some American companies scoff that a \$15 minimum wage or stronger unions would be a disastrous blow to business. Denmark challenges that narrative, for it shows that it's possible to have a thriving economy that pays workers decently and treats them respectfully.

Workers get their schedules a month in advance, and they can't be assigned back-to-back shifts. American politicians speak solemnly about the dignity of work, but you're more likely to find it in Copenhagen than in New York.

This wasn't always so. The golden age of American capitalism, from 1945 to 1980, was a period of high tax rates (up to 91 percent for the very wealthy), strong labor unions and huge initiatives, such as the G.I. Bill of Rights to help disadvantaged (albeit mostly white) Americans. This was a period of rapid growth in which income inequality declined — and in some ways it looked like today's Denmark.

One Republican strategy this year has been to demonize Democrats as socialists who would destroy the economy. Trump warns that Democrats “want to model America's economy after Venezuela.”

Well, no. In fact, what liberal Democrats have in mind is a step in the direction of the Nordic model found in Denmark, Sweden, Norway and Finland. But paradoxically, while Americans on both left and right often think of Scandinavia as quasi-socialist, Scandinavians flinch at that characterization. They see themselves as simply pursuing market economies, just with higher taxes and greater social benefits than the United States.

A classroom rearranged for social distancing at the Norrebro Park primary school in Copenhagen on April 29. Thibault Savary/Agence France-Presse — Getty Images

Danes pay an extra 19 cents of every dollar in taxes, compared with Americans, but for that they get free health care, free education from kindergarten through college, subsidized high-quality preschool, a very strong social safety net and very low levels of poverty, homelessness, crime and inequality. On average, Danes live two years longer than Americans.

A Big Mac flipped by \$22-an-hour workers isn't even that much more expensive than an American one. Big Mac prices vary by outlet, but my spot pricing suggested that one might cost about 27 cents more on average in Denmark than in the United States. That 27 cents is the price of dignity.

Americans might suspect that the Danish safety net encourages laziness. But 79 percent of Danes ages 16 to 64 are in the labor force, five percentage points higher than in the United States.

Danes earn about the same after-tax income as Americans, even though they work on average 22 percent fewer hours; on the other hand, money doesn't go as far in Denmark because prices average 18 percent higher. My own rough guess is that the top quarter of earners live better in America, but that the bottom three-quarters live better in Denmark.

Indeed, polls find that Danes are among the world's happiest people, along with Finns; Denmark is sometimes called "the happiest country."

You can agree or disagree that the trade-offs are worth it, but as you sit at a cafe in Copenhagen, sipping coffee and enjoying a Danish (called Viennese bread), Denmark hardly seems like a socialist nightmare.

Covid-19 has increased shopping online. Ufuk Kecec made a delivery from the online company Nemlig to a home in Brøndby, a suburb of Copenhagen, on Thursday. Martin Sylvest/Agence France-Presse — Getty Images

Indeed, Danes — very politely — express concern for what they perceive as a dystopia on the other side of the Atlantic.

“We look to America for a lot of things,” Nielsen, the labor negotiator, told me. “And then we meet people in the fast-food sector, and. ...” He paused, struggling for the right words. “Look, all countries have flaws, right? But you look at labor rights in America, and it’s crazy. If you work full time you should be able to support your family.”

Kristina Hansen, 27, who works at a nonunion hamburger chain called Cock’s & Cows, told me she is now thinking of buying an apartment. Surprised, I noted that few Americans working at hamburger chains are buying their own homes, and we discussed American fast-food pay.

“How can they survive on that money over there?” she asked me. “It’s so expensive to live in New York. I wonder how they live on that kind of money.”

Americans assume that Danish wages must be high because of regulations, but Denmark has no national minimum wage, and it would be perfectly legal for a construction company or a corner pizzeria to hire workers at \$5 an hour. Yet that doesn’t happen. The typical bottom market wage seems to be about \$15 — about twice the federal minimum wage in the United States, a country with a roughly similar standard of living. Why is that?

One reason is Denmark’s strong unions. More than 80 percent of Danish employees work under collective bargaining contracts, although strikes are rare. There is also “sectoral bargaining,” in which contracts are negotiated across an entire business sector — so in Denmark, McDonald’s and Burger King pay exactly the same — something that Joe Biden suggests the United States consider as well.

Yet there’s another, more important reason for high wages in Denmark.

“Workers are more productive” in Denmark, Lawrence Katz, a labor economist at Harvard, noted bluntly. “They have had access to more and higher-quality human capital investment opportunities starting at birth.”

Think of it this way. Workers at McDonald’s outlets all over the world tend to be at the lower end of the labor force, say the 20th percentile. But Danish workers at the 20th percentile are high school graduates who are literate and numerate.

In contrast, after half a century of underinvestment in the United States, many 20th-percentile American workers haven’t graduated from high school, can’t read well, aren’t very numerate, struggle with drugs or alcohol, or have impairments that reduce productivity.

Increasingly, I came to see that emulating a Danish-style system of high wages wasn't just about lifting the minimum wage but, even more, about investing in children.

Many Danes see the nurturing of children as part of their nation's secret sauce, so I dropped in on a public day care center in the city of Soborg. It turned out to be bright and pleasant, with 68 children and 12 teachers, plus a cook who serves mostly organic meals.

This center is open from 7 a.m. to 5 p.m., and some other branches offer extended hours. It costs (a heavily subsidized) \$516 per month for children ages 4 months to 3 years, and \$354 for children from 3 to 6. Children of low-income parents attend free.

The focus isn't so much on learning reading or numbers, but rather on using play to learn social skills and creativity. "'Learning to learn' is a popular expression here," explained Helle Olsen, the manager.

Children at Stationsparken Day Care Center wash their hands under supervision every other hour. Betina Garcia for The New York Times

One critical purpose of the system is to allow both parents to work, and that's why day care centers were among the first institutions reopened as the number of coronavirus cases fell. But families commonly send children to the centers even if there is a grandparent or other person at home (nannies are rare), because they are seen as training kids to be good Danish citizens. For that reason, attendance is mandatory for families where Danish is not spoken at home.

If we want to understand why burger-flippers in Denmark earn so much, I realized, part of the answer involves giving little children equal access to the starting line so that they will be educated and become productive workers two decades later.

For all of Denmark's successes, its model faces challenges. A central one is that the Danish system emerged from a homogeneous society with strong social trust, and some experts wonder whether Denmark can indefinitely sustain its high-wage, high-productivity economy as less-skilled immigrants stream in from poorer countries. Denmark compiled a heroic record resisting the Nazis to save most of its Jewish population in World War II, so it surprised me to encounter strong anti-immigrant feelings, even xenophobia.

Yet the success of the Nordic model seems undeniable — although it's not obvious to all Americans. Last year, Nikki Haley tweeted contemptuously about Finland's health care system. "Comparing us to Finland is ridiculous," she said scornfully. "Ask them how their health care is. You won't like their answer."

She apparently was unaware that Finns live longer than Americans, that Finnish children are only one-third as likely to die by the age of 5, and that Finnish women are one-fifth as likely to die in childbirth.

Even on the Democratic side, the television personality Donny Deutsch scoffed on Bill Maher's HBO show that Medicare for All would mean "we are going backwards. We're [expletive] Denmark!"

At a time when a pandemic lays bare longstanding inequities in the United States, maybe we should approach the Nordic countries with a bit more curiosity and humility. Hummelgaard, the labor minister, is the son of a porter and a cleaner but received an excellent free education and spoke to me in perfect English. He admires the United States but is sometimes baffled by it.

"Danes love America," Hummelgaard told me. "But there's no admiration for the level of inequality in America, for the lack of job security, for the lack of health security, for all those things that normally can create a good society."

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