

# Historic changes in the support of workers' parties in Denmark

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At the end of June the Red Green Alliance reached new heights in opinion polls with 12-14%. At the same time the Social Democrats reached a historic low of 16-17%. This happened after the government decided to make a tax reform with right. This was just the latest development in a process that began even before the Social Democrats and Socialist People's Party entered into government.

## The tax reform

The tax reform initially proposed by the government looked like a clear invitation to the right. It came as part of its overall 2020 plan. During the last years the political agenda has been focused on how to ensure the balances on the state finances in the long run with the year 2020 as the target. This was an agenda put forward by the previous right wing government and backed by mainstream economics, the employers' organisations etc.

According to the main stream economics the main problems are public spending and the supply of labour. Accordingly cuts must be made, and initiatives must be taken to increase the supply of labour. This overall agenda has been accepted by the Social Democrats (SD) and the Socialist People's Party (SPP) leadership.

The main aim of the proposed tax reform was to give economic incentives to work. The main elements were:

- Raise the income threshold for a higher tax rate
- lower the level of the yearly wage/price indexed increase in benefits for unemployed, retired etc.
- higher tax for the most indebted owners of real estate (interests above a certain limit gives a lower reduction in taxes)
- lower tax for people who are employed

Initially the Liberal Party was not willing to take part in an agreement with the government. This was more a tactical choice to isolate the government than a political choice.

This opened the door for the Red Green Alliance (RGA). Negotiations took place between the RGA and the government. The government accepted not to make cuts in social benefits, and it made a number of other changes, demanded by the RGA, as well. An agreement was made between the RGA and the government, only waiting for the approval two days later by the National Committee of the RGA.

Then suddenly the Liberal Party approached the government, and after less than a day they published an official agreement on a tax reform law, also including the Conservative Party. In that agreement the cuts on benefits are maintained and any rise in taxes for owners of real estate is off the table.

This led to very strong reactions from the RGA parliamentary group: "We no longer support this government - We're in opposition", said Johanne Schmidt-Nielsen spokesperson from the parliamentary group of the Red Green Alliance.

For the Socialist People's Party this was another contribution to their crisis. The higher taxes for owners of expensive real estate was the part which would only harm the very wealthy thus giving the reform a social profile.

### **The crisis of SD and SPP**

The tax reform was but the latest contribution to an increased disappointment with the Social Democrats and Socialist People's Party. In the spring 2011 Social Democrats was at 29 % and Socialist People's Party at 15 %. Today they are at 17 and 5.5 %. In the same period the Red Green Alliance has increased support from 4 % to 12 % according to polls. During the same period the Liberal Party has been the big winner moving from 19 to 33 %.

Up until the elections to the parliament last year a new government seemed a sure thing. Discontent was growing with the conservative-liberal government and their tight alliance with the populist right Danish Peoples Party. But nevertheless the alternative was quite contradictory. The SD/SPP campaigned on themes like: Choose public welfare rather than tax reliefs, a higher tax rate for the rich and more teachers in the primary schools. Their answer to the crisis was public investments rather than austerity measures.

But as they were criticised by the right for lack of "economic responsibility" their reaction was to conform to all the right wing criticism. Also on the question of conditions for immigrants and refugees they made concessions to the right.

As the picture of an alternative political direction became more and more blurred the support for these parties began to drop. The Red Green Alliance promised to fight to keep a new government as much to the left as possible.

After the election the SD/SPP made a government with the Social Liberal Party. Negotiating the governmental program with the social liberals the SD/SPP gave up even more of their left policies including the tax on the rich. Since then the government has been loyal the neoliberal political agenda.

### **Tactics of RGA**

The RGA has followed a tactic to be open to any negotiations with the government. The tactic was

chosen is to avoid that abstract radicalism would make it easy for the government to explain a course of doing politics with the right.

This has been successful in two ways. A number of minor reforms, improving the situation for some groups on social benefit, immigrants and refugees have been made, and a comprehensive reform law on energy politics has been passed with the votes of the RGA. At the same time the support for the RGA has steadily increased, even before the recent tax reform crisis of the SD/SPP.

The main discussion now will be how to deal with the national budget for 2013. The right wing has decided to use this opportunity to topple the government if they can.

This is contrary to situation during the last SD-lead government 1992-2001. In this period the RGA voted against the budget every year but one, when it abstained. To deal with this situation the RGA changed its tactics regarding the budget. Instead of seeing a vote for the budget as a general acceptance of the capitalist system as such, the budget is judged by the criteria: how does this budget change the allocation of resources compared to last year. Already in 2010 the National Conference of the RGA decided that it will vote for a national budget on some specified conditions. One of these conditions is that the budget does not "sum up a year of austerity policies with the right wing".

The RGA have now chosen to mobilise for a debate with people including trade-unions, movements etc. Based on this hearing and debate the RGA will specify a number of demands for the next budget. These demands must compensate for the wrongdoings of the government during the preceding year. Through this process the RGA want to mobilise pressure on SD and SPP to force them to change their current course.

One important element of this attempt to mobilise the working class behind demands to the government is the issue of unemployment benefits. The previous government shortened the period of unemployment benefits from 4 to 2 years and prolonged the period, you need to work to obtain the benefit rights, from ½ to 1 year. Just after the elections the new government gave in to demands from the RGA and trade union forces and postponed the implementation of the new 2-year limit for half a year. But in January 2013 thousands of unemployed workers are to lose their benefits if there are no changes. Already some MP's of the SD and SPP want another postponement, but this is rejected by their governmental partner, The Social Liberal Party.

### **The position of SAP**

SAP, the Danish section of the Fourth International, is one of the founding parties of the RGA. SAP members are actively building the RGA as militants, members of branch and national leadership, employees and MP's. Commenting on the tax reform agreement the political bureau of the SAP said:

*"The government is pursuing a suicidal course moving further and further away from a common platform with the RGA - and at the same time undermining destroying its support from working people.*

"The electorate of the SD/SPP is leaving the two parties in historic dimensions. The tax reform has highlighted the failure of the reformist leaders for a whole new generation of young militants and supporters of the left, exactly those that brought the government to power.

"This gives the RGA a new position in Danish politics. The party is now seen as the only real alternative to bourgeois neo-liberal politics. At the same time this is dangerous, and it creates new

opportunities.

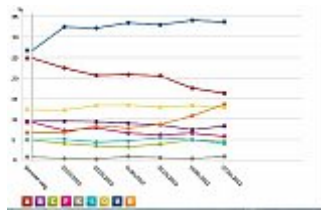
“There is the obvious risk of disappointment and passivity. Those people that expected new politics from the new government have lost faith in the leaderships of the reformist parties. The same goes to some degree for the trade union leadership. The top echelons have uncritically accepted the tax reform – even if the reform is an attack on the rights and the income of many of its members.

“But the situation also creates the possibility of strengthening the fight for new politics. The main task of the RGA is to appeal to the disappointed and frustrated supporters of the SD/SPP – not to mock and denigrate their original hopes in the new government. Rather we must share their anger and give it a voice. The aim is to turn their disappointment into activity, mobilisation and demands to the government for a change course.

“One element of this is the political campaign to discuss which form of compensation will be needed to counter the negative effects of the tax reform. Another one is creating a broad trade union and militant movement to save unemployed people from losing their unemployment benefit.

“Finally the RGA must make an increased effort to show that there is an alternative to the different versions of the neoliberal agenda of the other parties: the anticapitalist road.”

### **Thomas Eisler**



*Explanation of graph.*

The starting point is the elections September 2011.

A: Social Democrats

B: Social Liberal

C: Conservatives

F: Socialist People's Party

K: Christian Democrats

I: Liberal Alliance

O: Danish Peoples Party

V: Liberal Party

Ø: Red Green Alliance

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**P.S.**

\* From International Viewpoint. <http://www.internationalviewpoint.org>

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