

# The Danish parliamentary election

## Denmark moves from right to left

19 September 2011

Denmark bucked the current European trend towards the right in its general election on 15 September. Danes voted in a left-wing 'Red Alliance' coalition headed by Social Democrat leader Helle Thorning-Schmidt, defeating the Liberal-Conservative coalition, which had been in power for ten years.

Besides the small majority of just three seats, the Red Alliance has some challenging internal politics to handle. Ms Thorning-Schmidt's Social Democrats are the largest party in the Red Alliance, but actually lost one seat compared to the previous parliament (as did the Socialist People's Party). Strong showings for *Enhedslisten* (Red-Green Alliance / Unity List) and the *Radikale Venstre* (Social Liberal Party) helped the left-wing block to cross the line – although it will be a hard task to combine the views of these two parties in a future coalition.

On the Right, the Liberals of the outgoing Prime Minister, Lars Løkke Rasmussen, actually gained one seat. However, the 'Blue Alliance' suffered from losses sustained by the Danish People's Party (whose principal standpoint is against immigration) and the Conservative People's Party.

On 16 September Mr Løkke Rasmussen tendered the cabinet's resignation to Queen Margrethe II, although he will lead a caretaker administration until a new cabinet is appointed. Ms Thorning-Schmidt is expected to form a coalition with her Red Alliance partners and be appointed Prime Minister ahead of the first meeting of the new parliament, on 4 October. Less than 100 days later, Ms Thorning-Schmidt, a former Member of the European Parliament and daughter-in-law of ex-European Commissioner Neil Kinnock, would lead Denmark into its seventh Presidency of the Council of the European Union.



Helle Thorning-Schmidt, Social Democrat leader and likely new PM (Photo: Socialdemokraterne.dk)

### Context

#### Economic reforms, lack of growth, and unemployment

Immigration policy, which has been a large political issue in Denmark since mid 1990s, played only a marginal role in the campaign and the pre-election debate. Instead, the focus was on economic and social issues, notably creating employment and growth.

During the spring, the government and the Social Democrat-led opposition put forward rival economic plans on how to meet the challenges of creating jobs and stimulating the economy. Both plans centred on increasing the number of people in work, but in different ways.

The Conservative-Liberal government wanted to reform the early retirement system; meanwhile the Opposition put forward an innovative plan for everybody to work an additional 12 minutes a day, based on the notion that an hour's extra work per week would increase productivity.

As a sign of the tensions within the electoral blocks, the *Radikale Venstre* supported the right-wing government's reform in the spring even though it was part of the Social Democrat-led Red Alliance in the election.

The Liberal-Conservative government has, for ten years, cooperated on many important political issues with the Danish People's Party. Due to its right-wing stance, this effectively

excluded cooperation with other parties. Many had expected the government to hold election in the spring and pave the way for a new parliament to address the need for reform and the creation of growth. Instead the government reached out to the *Radikale Venstre* and agreed economic reforms with them and the Danish People's Party. A change in the early retirement system was the most important of these reforms.

### The results in detail

Party	EU party	Seats	+/- (2007)	Share (%)
<b>RED ALLIANCE</b>		<b>89</b>	<b>+8</b>	<b>50.2</b>
Social Democrats	PES	44	-1	24.8
Social Liberal Party	ELDR	17	+8	9.5
Socialist People's Party	Nordic Green Left	16	-7	9.2
Enhedslisten	European Left	12	+8	6.7
Faroe Is / Greenland seats	-	3	-	-
<b>BLUE ALLIANCE</b>		<b>86</b>	<b>-8</b>	<b>49.8</b>
Liberals	ELDR	47	+1	26.7
Danish People's Party	EPD (in the EP)	22	-3	12.3
Liberal Alliance	n/a	9	+4	5.0
Conservative People's Party	EPP	8	-10	4.9
Faroe Is / Greenland seats	-	1	-	-

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## The results

### Centre-left to form government

The Danish political system has effectively been divided in two parts – the left-wing Red Alliance and the right-wing Blue Alliance – with minimal cooperation between the alliances.

In the last days of the campaign all parties talked about the need to change this, and broaden cooperation in the parliament. However, the mathematics of the election result means that it is highly unlikely to happen.

Although the election result delivered power to the Red Alliance, the future government - consisting of Social Democrats, *Radikale Venstre* and the Socialist People's Party - had hoped to create a majority of 90 seats together with the Conservative People's Party (Blue Alliance), thereby creating cooperation between the alliances. However, the poor result for the Conservatives – who lost more than half of their seats – ended this possibility. The future government therefore needs support from *Enhedslisten*, a list created in the 1990s from various left wing parties and groups, and which competed for votes with the Socialist People's Party. This may mean a fractious and unstable coalition.

The new government also faces the challenge that parties supporting reforms of the early retirement system have been strengthened. This will probably leave the Social Democrats and Socialist People's Party with no choice other than to implement the agreement on the reform of the early retirement system, in spite of their initial opposition.

One aspect that delighted both winners and losers was the high turnout – 87.7% of the electorate cast their vote, the highest rate since 1984.

## Analysis

### An insecure victory

Most laws in Denmark are adopted with a broad majority, and there is a high degree of consensus. However, in the last ten years the most important reforms and laws have been secured by the Blue Alliance acting independently. The ambition of many parties to enhance cooperation between the alliances seems difficult to achieve, as there are few possible realistic majorities.

Instead, we may see the Red Alliance pushing through its own agenda with little cross-alliance collaboration. Nevertheless, it is highly doubtful that the Red Alliance block, combining the social liberals of *Radikale Venstre* and the socialists of *Enhedslisten*, will be able to function well in the long run.

Some approaches to key policies will change due to the change in government (and in spite of differences in the Red Alliance). The new coalition's views on environment, consumer and food policy in particular (see below) are expected to influence the agenda for the Danish Presidency of the Council of the EU, which starts on 1 January 2012.

The Presidency will – like the current Polish Presidency - also have to face the challenge of dealing with the economic crisis while not being a member of the euro. It will also have to take

on the leadership on key issues for the future of Europe, such as the bloc's Multiannual Financial Framework, and restore the country's European credentials, which have been somewhat damaged by rows over the restoration of border controls. Ms Thorning-Schmidt's European background, as an MEP and alumnus of the College of Europe, should prove to be a boon in achieving this goal.

The major policy changes in Denmark as a result of the election are likely to come in the following policy areas:

- **Growth and job creation:** The Social Democrats and the Socialist People's Party have formed a close alliance on bringing forward public investments in the renovation of schools, roads and hospitals. They are looking to finance some of this investment by encouraging Public Private Partnerships. They also plan to introduce a 'window of investment' to make it more profitable for companies to invest in technology in 2012. The focus will also be on green jobs and welfare technology.
- **Tax:** The Social Democrats and the Socialist People's Party have guaranteed that there will be no increase in taxes for people earning less than one million Danish crowns (approximately €135,000) per year. However, they do plan to introduce higher taxes on the wealthiest people as well as on multinational companies. *Enhedslisten* will be a firm supporter of this, while *Radikale Venstre* wants to lower tax on work in general. All four parties are in favour of changing the focus of the tax system from taxes on work towards environmental taxes.
- **Environment, consumer and food policy:** These three areas are likely to see the biggest changes in policy. The Social Democrats, the Socialist People's Party and *Enhedslisten* are expected to promote a tough policy in these areas, introducing more taxes on unhealthy food and looking into prohibitions or labelling of chemicals in goods such as clothes, skincare products and foods. *Radikale Venstre's* presence in government might mitigate some of the more expansive proposals – but the party does itself favour higher taxes on unhealthy foods, for example. It seems very likely that the parties can find common ground on these issues. The Red Alliance has also argued for a congestion charge around Copenhagen, and air travellers within, to, and from Denmark seem set to face higher charges as well.

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