

Denmark after the election

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- The Danish general election of September 15, 2011, resulted in a government change. The centre-right was ousted after a decade in power, and replaced by a Social Democrat-led government.
- The centre-right entered the election trailing in the polls. Although they managed to close the lead somewhat during the campaign, every single poll throughout the campaign continued to show a majority for the centre-left.
- On September 15, the centre-left coalition won 89 seats, against 86 seats for the centre-right. It was clear that a Social Democratic-led government would be formed. It would by all accounts incorporate the Socialist People's Party and the centrist Radikale Venstre, and rely on the support of the leftist Unity List.
- The election turned out to be much closer than what had previously been predicted. The centre-left saw its support dwindle in polls as the election progressed and ultimately only mustered a three seat majority (two if one excludes the four North Atlantic seats from the Faroe Islands and Greenland, who are usually wary of voting on matters relating to domestic affairs in the Kingdom).

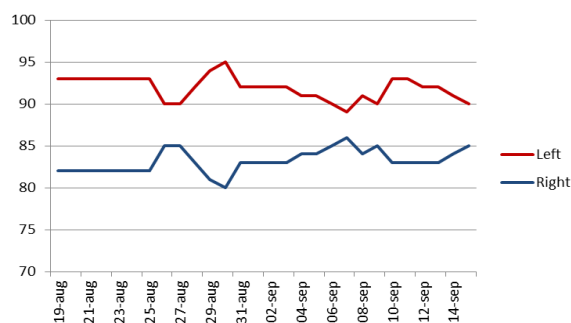
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Since 2001 a centre-right coalition government consisting of the liberal party Venstre and the Conservative People's Party had ruled Denmark with the tacit support of the nationalist Danish People's Party. They had defeated the Social Democrat-led opposition in three consecutive elections, but by 2011 they were trailing in the polls. The Danish economy was moribund. Immigration policy, long the decisive issue in Danish elections that had underpinned the ascendancy of the centre-right, had already been tightened and was overshadowed by concerns for the economy.

The election was due to be held in November 2011 at the latest, but snap elections are common in Denmark, and an early election was expected to be called as soon as an opportune moment presented itself to the Prime Minister Lars Løkke Rasmussen. He defied rumours of a snap election being imminent on several occasions during the first half of 2011, but finally decided to call an early election shortly after the end of the Danish summer holidays. On September 15 the Danes would vote on their new government.

At the onset of the election campaign the incumbent government was some 2-3 percentage points behind in the polls. During the campaign, the gap between the two political blocs gradually diminished (see graph below), however. Even though polls continued to show a majority for the opposition, their advantage was declining and it was still not possible to rule out entirely that the incumbent government could engineer a surprising comeback.

Number of seats (excluding 4 North Atlantic seats from the Faroe Islands and Greenland) for each political bloc predicted by polls during the election campaign, August – September 2011



Source: Megafon polls carried out for Politiken, <http://politiken.dk/politik/meningsmaaleren/>

As the Election Day drew nearer the centre-right managed to close the gap somewhat, as shown in the above graph. The centre-right could not quite manage to stage the surprising comeback after having been trailing in the polls since the middle of 2010, but did better than what polls had predicted prior to the snap election being called.

The results of the general election of September 15, 2011 – excluding the North Atlantic seats

| Party | Party ideology | Seats, 2011 | Vote share, 2011 | Change in seats from 2007 |
|----------------------------------|--------------------------|-------------|------------------|---------------------------|
| Social Democrats | Social democrats | 44 | 24,8 percent | -1 |
| Radikale Venstre | Centrist, social-liberal | 17 | 9,5 percent | 8 |
| Socialist People's Party | Socialist | 16 | 9,2 percent | -7 |
| Unity List | Left/communist | 12 | 6,7 percent | 8 |
| Left-of-center parties in total | | 89 | 50,2 percent | 8 |
| Venstre | Liberal | 47 | 26,7 percent | 1 |
| Conservative People's Party | Conservative | 8 | 4,9 percent | -10 |
| Danish People's Party | Nationalist | 22 | 12,3 percent | -3 |
| Liberal Alliance | Liberal | 9 | 5,0 percent | 4 |
| Christian Democrats | Christian democrats | 0 | 0,8 percent | 0 |
| Right-of-center parties in total | | 86 | 49,7 percent | -8 |

The left-of-centre parties won 89 seats in parliament while the right-of-centre parties gained 86. Moreover, of the four North

Atlantic seats elected on the Faroe Islands and Greenland, three backed the Social Democrats and one the centre-right. On the election night it was clear that the new Prime Minister would be Social Democratic leader Helle Thorning-Schmidt. Most commentators expected her to form a government consisting of her own Social Democratic Party, the Socialist People's Party and the centrist Radikale Venstre. This government would be supported by the leftist Unity List.

The Election Campaign

On August 26 the Prime Minister and leader of the party Venstre Lars Løkke Rasmussen called a snap election to be held on September 15. This would give the parties three weeks to convince the electorate of their merits. As a result of the economic crisis the decisive theme of the election looked set to be which side – the Social Democratic-led centre-left or the Venstre-led centre-right government – the voters would trust to turn the economy around.

The first major new move in the election campaign was a joint declaration by the Conservatives, the junior government party, and the Radikale Venstre, which supports a Social Democratic government that they would seek to cooperate closely after the election. Both parties wanted to render Danish politics more centrist, as opposed to the last decade where the nationalist Danish People's Party – reviled by both parties - had gained substantial influence, since the incumbent government could pass any legislation that it could get the Danish People's Party to support. The Radikale Venstre had traditionally played the role as kingmaker in Danish politics,

and was torn between its support for economic reforms where it seemed to be more in line with the centre-right, and its left-of-center position in most other policy areas. By wooing the Radikale Venstre, centre-right politicians probably hoped to pave the way for a future Venstre – Conservative – Radikale Venstre government and gain more influence on or perhaps disrupt the new Social Democrat-led government alternative. However, the move also illustrated the disagreements among the parties on the right side of the political spectrum and prompted angry exchanges with the Danish People's Party. The first week of the election campaign was thus characterized by disruptions in the centre-right coalition.

The second week of the election campaign proved to be less benign for the centre-left parties. The Socialist People's Party had seen its support steadily dwindle in polls, and party leader Søvndal presumably found it necessary to stress that there were differences between the Socialists and the Social Democrats to stop the hemorrhage. In so doing, he inadvertently mentioned that his party opposed a specific piece of immigration legislation, although he would not attempt to revoke it in the next term in parliament. After their defeats in the general elections of 2001, 2005 and 2007 which were largely precipitated on immigration policy, the Social Democrats and Socialist People's Party had agreed to pledge not to change the highly popular immigration legislation, but it was well known that the Socialists only accepted due to strategic considerations. The mere mentioning of the fact that the Socialist People's Party was against a specific immigration rule was by all accounts enough

to put pressure on the centre-left, and the Socialist and Social Democratic leaders had to reiterate their commitments to the existing immigration policy. Although this may have cost votes and did much to dampen the momentum of the centre-left in the campaign, the issue of immigration policy was no longer decisive the way it had been in the three preceding elections.

Additionally, the Social Democrats and Socialist People's party unveiled plans to introduce congestion charges for automobile traffic in Copenhagen proper, and increase the tax on tobacco, chocolate and sweets. This would be used to finance cheaper and more extensive collective transportation in Copenhagen and better healthcare. However, many people would end up paying these substantial new expenses, which were particularly unpopular in traditional Social Democratic strongholds in suburban Copenhagen where many commute to work in the city centre.

These proposals caused support for the centre-left to decline, although it remained above half the electorate. Meanwhile the incumbent government continued to vehemently criticize the centre-left for its suggested economic policy. The opposition insisted that it would invest rather than slash expenses, settle a deal with the labour unions and employers organizations to have the Danes work 1 hour longer per week on average, and increase taxes on financial institutions and high-wage earners with a millionaire tax. The centre-right parties argued that these proposals were too vague and uncertain, asking whether the Danes would really accept an increase in their working hours.

The government did not launch any substantial new policy initiatives or proposals, and instead concentrated on criticizing the centre-left and stressing that it had successfully handled the financial and economic crisis. This latter point was rejected by the centre-left leaders, who in turn criticized what they saw as the government's passivity and ineffectualness in the face of the crisis. Throughout 2011 the government had passed several reforms including cut-backs to public spending and a reform of a pricey early retirement scheme, which had been unpopular but contributed to balancing the national budget. However, during the election campaign itself there was a sense that the centre-right never found a momentum and that its successes during the campaign were not so much its own doing, as the results of the abovementioned unpopular proposals and slips by the centre-left. Moreover, the economy was still in a bad shape, and the centre-right had been in power for a decade. There was a widespread sentiment in the population that it was time for a change.

Bittersweet Victory

Although the centre-left parties euphorically celebrated their triumph winning the election after a decade of centre-right dominance, their outlooks for the future look uncertain. The centre-left bloc is only ahead by 0,3 percentage points in the polls. Because the Christian Democrats once again failed to cross the threshold and the four North Atlantic seats elected on the Faroe Islands and Greenland favoured the centre-left, this translates into a somewhat larger majority in terms of seats, 92 to 87. However, it would take only a loss of three seats for the balance of power to tip once

more to the centre-right. Additionally, the four North Atlantic representatives are usually very wary of casting their votes on matters pertaining solely to domestic affairs in Denmark proper, and a majority that relies on them for the pivotal votes may make for less effective policy-making.

Venstre remained the largest party in the Danish *Folketing*, and despite the election victory the Social Democrats saw their vote share dwindle by 0,6 percentage points to 24,9 percent. This was the worst result since the party's early days. Even after a decade of centre-right dominance, the worst economic recession in the post-war era which caused a predictable spike in unemployment, and ostensibly the most substantial financial support from labour unions for campaigning in recent times, the Social Democrats only barely managed to gain power by winning 0,3 percent more votes than the centre-right. For many Social Democrats and members of the Socialist People's Party, the taste of victory must have been bittersweet.

The Right Disarray

The resigning Prime Minister Løkke Rasmussen cannot be truly disheartened by the election result. He took office just as the financial crisis began affecting Denmark when then Prime Minister Fogh Rasmussen resigned to become general secretary of NATO in 2009. Mr. Løkke Rasmussen epitomized the fighting spirit of the centre-right during 2011 where many of the most prominent politicians in his party had seemed to give up hope, and despite losing the election the result was surprisingly good for him. Venstre remained the largest party in the *Folketing*, and before the cam-

paign began he had managed to pass a number of economic reforms that were very popular among his supporters. When he conceded defeat on the election night, Mr. Løkke Rasmussen said he would now "turn over the keys to the Ministry of State to Helle Thorning-Schmidt", but warned her to take good care of them since they were hers "only to borrow". This was taken as an indication that he intended to remain as leader of the new centre-right opposition.

During the election campaign the strains between right-of-centre parties widened considerably to the point where many analysts speculated that in case of a centre-right victory Venstre would form a government with no junior partners. There has never been any love lost between the Conservatives and the nationalist Danish People's Party. Before the election began Venstre and the Conservatives had dismissed the idea that the Danish People's Party could join a centre-right government. Also, the Liberal Alliance, running on an economically liberal programme and chiding the centre-right parties for having abandoned their original liberal tenets, won over many voters that had previously supported the Conservatives during 2010 and 2011. This had prompted the Conservatives to respond in kind by laying forward a number of bold policy proposals, including calls for further tax cuts for high earners. At a time where the government had just passed an unpopular reform to cut back on early retirement pensions and slash public expenses, this insistence on cutting taxes for well-off people made it very easy for the centre-left to argue that the right had cut back on programmes that help low wage earners in order to cut taxes

for the rich. By the end of the 2011 election campaign, therefore, the right side of the political spectrum was in disarray and had lost the coherence that had helped it maintain power throughout the first decade of the 2000's.

Although the left had not won the resounding victory they had hoped for, the election campaign had thus highlighted substantial policy discrepancies between the right-of-centre parties. Also, immigration policy no longer is the decisive issue in Danish politics that it once was, although it retains some importance. The nationalist Danish People's Party saw its vote share drop from 13,9 percent to 12,3 percent in the 2011 election, and its attempts to introduce immigration-related issues into the election campaign failed. The centre-right government which was in power from 2001 to 2011 had remained unbeaten throughout a decade primarily because of its policy stance, which combined a tightening of immigration legislation with a more accommodating position with regards to the welfare state. By 2011 this policy prescription no longer worked. Immigration policy had lost relevance. Also, the government had slashed expenses and carried through with labour market and pension reforms in response to the economic crisis, and thus the centre-right no longer could or really tried to beat the Social Democrats on their 'home turf' in terms of being seen as the guarantors of the welfare state.

Outlooks for the Future

The new government faces the immediate challenge of turning the economy around. It has laid forward plans to carry out substantial public investments to rekindle the

economy, and will to a large degree be judged on its ability to combat unemployment.

The Social Democrats have announced plans to enter into negotiations with the labour unions and employer organizations in order to consolidate the economy. Denmark is characterized by a deeply corporatist structure where unions and employer organizations play a crucial role. The new Prime Minister Helle Thorning-Schmidt has proposed that the average working hours should be increased from 37 to 38 per week, and recently in an interview with the leading newspaper *Politiken*, she also suggested that Danish wage-earners should exhibit restraints in order for Denmark to regain competitiveness. The centre-left further proposes to revamp state subsidies for industries to focus more on green technology and reduce expenses, and to carry out public investment projects e.g. renovations of schools and sewer systems to kick-start the economy.

The Socialist People's Party has proven a loyal coalition partner for the Social Democrats, and on the election night Social Democrat leader Thorning-Schmidt sent a special thanks to Socialist leader Søvndal. The Social Democrat – Socialist alliance had generated the common ground on the centre-left which had been missing, and made it easier to credibly promise that the new centre-left government will not inexorably raise taxes and roll back the tight and very popular Danish immigration policy. Nevertheless, it has also become clear that the socialists in some ways are a "costly" coalition partner. The congestion charges, ostensibly introduced at the behest of the socialists in the common economic pro-

gramme of the two parties, caused a substantial decline in their support particularly in suburban Copenhagen. During the election campaign the prospect of higher taxes on tobacco and other products and introduction of congestion charges also worried many voters which seemed to care little for the fact that it would pay for a significant improvement of the healthcare system and investing in green technology and infrastructure to reduce CO2 emissions. In other words, the socialists press for policies that are unpopular with the middle class voters that are ultimately decisive in Danish politics. Despite these concessions by the Social Democrats the socialists suffered a substantial vote loss in the 2011 election.

The Social Democrats and the Radikale Venstre, conversely, have a long history of being in power, and a broad acceptance of what that entails in terms of reaching compromises, passing unpopular decisions and withstanding scandals and criticism. It remains to be seen how the Socialist People's Party will function as the junior government partner.

The Social Democrat – Socialist People's Party alliance was contrived at a time when the Radikale Venstre was very low in the polls. Since the socialists had little choice but to support a Social Democratic over a centre-right government anyway, the rationale for the coalition was primarily to ensure a stable basis for a new government. The ability of the centre-left to govern had long been put in question by the fact that there was little common ground between the parties. In particular, the Social Democrats had stood alone with their insistence that they would not roll back immigration policy. By forming a tightly

knit alliance with the socialists in lieu of the Radikale Venstre which was previously their closest ally but had increasingly followed an independent political course, the Social Democrats had alleviated this criticism. Regardless, large policy divergences exist between the Social Democrats and the Socialist People's Party on the one hand, and the centrist Radikale Venstre and the very leftist Unity List on the other. It will be a formidable challenge to lead a government that will have to reconcile the Radikale Venstre, a centrist party which is often right-leaning in its economic policies, with the interests of the socialists and the leftist Unity List.

Hopes that a Social Democratic government could substitute support from the Unity List with support from the Conservatives on a case-by-case basis were thwarted as the Conservatives suffered an abysmally bad election and won less than 5 percent of the total vote. The only alternative for the Social Democratic government in order to not having to rely on the Unity List for a majority for its policies will consequently be to cooperate with its main opponent, Venstre. In her speech on the election night the new Prime Minister Helle Thorning-Schmidt declared her intention to cooperate with the centre-right parties. This may be necessary for some political issues and to avoid giving the Unity List veto power in economic policy-making. It cannot be ruled out that the Unity List would be ready to topple the new government if it feels it veers too much to the right. Cooperating with Venstre might also allow the Social Democrats to pass unpopular measures that the Unity List would oppose. Furthermore, although the Radikale Venstre pledged to support the Social

Democrats in 2011, they have historically played the role as kingmakers in Danish politics and could be tempted to cooperate closer with the centre-right parties in the future. Maintaining close ties to the Radikale Venstre may require the Social Democrats to carry through with policy initiatives and reforms that the Unity List will be unwilling to back. But at the end of the day, it remains unclear how much cooperation the Social Democrats will be able to establish with Venstre, which may be more concerned with toppling the new government than helping out with its economic policy-making. It also remains to be seen how the Unity List will cooperate with the new government, and how difficult it will be to reconcile the interests of the Radikale Venstre with those of the other centre-left parties. In that respect, a Social Democrat-led government which has traditionally also been rather consensual, will have to seek a majority by obtaining the support of other parties.