

# Danish government ends strike

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On May 6 the Danish social democratic government of Nyrup Rasmussen issued a political diktat to end a two-week long strike involving half a million workers.

At the end of April the leaders of the employers' federation DA and the trade union organisation LO agreed to a contract whose approval in a ballot of union members was considered a mere formality. Employees in private industry were to receive a wage increase of 4 percent, improved pensions and an extra day's holiday.

But 56 percent voted against the agreement, even though 14 of the 15 individual unions called upon their members to accept the compromise. The main issue for workers was the grossly inadequate holiday allowance. The unions had entered discussions demanding an extra (sixth) paid week's holiday. The deal struck by the union leaders, however, only allowed an extra day, Christmas Eve, which is already a holiday for most workers.

A total of 450,000 workers took part in the strike. Together with the 50,000 employees who were locked out, retail shop workers in particular, this is about a third of all blue collar and white collar workers in Denmark.

Prior to the first day of the strike on April 27, some 5 million Danes prepared for the walkout with panic buying. According to opinion polls, the strike was supported by 70 percent of the population.

After just a few days, public life collapsed. Supermarkets were sold out and huge queues formed at gas stations until the last drop of petrol was bought up. Hospitals only conducted emergency operations; schools were closed on hygiene grounds because the strike had prevented classrooms from being cleaned.

The lack of petrol soon brought public transport to a standstill. Newspapers no longer appeared; chickens and pigs perished in their stalls because they could no longer be transported for slaughter.

The strike also had repercussions outside Denmark.

Swedish car producer Saab stopped production of one of its models on May 5 because parts usually supplied from Denmark were no longer available. The Scandinavian airline SAS stopped all flights to and from Copenhagen, and even intercontinental flights which should have been re-routed to the Swedish city of Stockholm had to be cancelled because the workers there struck in solidarity with the Danish strike.

On May 4, tens of thousands supported their demand for additional paid holidays by participating in large demonstrations in many towns. According to the employer's federation, the strike was costing Danish business around US\$150 million per day.

The massive movement revealed a deep split between the political and trade union functionaries on one side, and the working population on the other. For years the trade unions, successive conservative and social democratic governments, as well as the employers, have revamped the Scandinavian welfare state, largely against the wishes of the people.

The result was the so-called "Danish model," praised across Europe. Similar to the "Dutch model," it depended upon labour flexibility and compulsion. The economic figures which the Danish government boasts about are the result of this close collaboration between the political parties, trade unions and employers.

The last major workers' struggles took place 13 years ago and were also stopped with a decree by the head of the conservative government, Poul Schlüter. After the Schlüter government was voted out in 1993, the social democrats under Rasmussen took office and continued the former's conservative policies.

The trade unions obtained only limited increases in wages for their members. Soon only 16 percent of all workers were covered by national contracts, the rest having to accept factory-level deals. As Per Callesen from the finance ministry noted with satisfaction, "Without a doubt the adaptability of wages has

improved.” Employment protection virtually no longer exists, so employers can hire and fire at will.

The social democrats and trade unions could only undertake this reorganisation of the Danish welfare state by including a “social component,” as they called it. The unemployment benefit is relatively high (90 percent of the last net wage, up to a maximum of US\$2,000), and unemployed workers have a declared right to a job within two years. However, workers are obliged to accept any work offered after two years. So it is not surprising that there are more retraining schemes running in Denmark than anywhere else in Europe.

Those unemployed who have difficulty finding work are offered part-time jobs paid below national contract levels. Youth are threatened with having their subsistence payments withdrawn if they do not take up an apprenticeship, even if it is in one of the industry-wide schemes with no job guarantees. Thus the unemployment rate in Denmark has halved in the last four years from twelve to six percent. There are vacancies for workers in many branches of the economy. More than three-quarters of all Danes between the ages of 15 and 64 have work. Economic growth is three percent.

However, behind these figures the reality is not quite so rosy for working people. Many are forced to work in professions that they had not planned to pursue. A job for life no longer exists. That is the bitter reality for Danish workers, including academics.

Under such conditions it is not surprising that the demand for more free time has grown in significance and became the trigger for workers’ protests against the trade unions bureaucracy. The longer the strike continued, the more the unions, the government and the employers came under pressure.

The chairman of the LO, Hans Jensen, prepared to break off the strike. In his May Day speech he said the demand for an extra week’s holiday was “unrealistic,” “ill-advised” and “not good for employment.” However, he delayed producing a new settlement for fear of a new “Nej” (no) from the rank-and-file and the loss of control over the strike. Rasmussen also hesitated to end the strike through legal intervention.

A major reason for this hesitation on the part of the employers, the unions and the government is the May 28 referendum to ratify the Amsterdam Treaty agreed

last June for further European integration. The government, unions and industry are united: in order to increase international competitiveness, further integration of the Danish economy into the European market is necessary. A rejection on May 28 would substantially delay this and threaten the entire process of European integration, as all of the participating countries must ratify the treaty. Thus care was taken not to allow emotions to escalate too high during the strike, and to keep the workers under control.

Rasmussen found himself faced with a dilemma. If he intervened to end the strike through legal decree, the Amsterdam Treaty might be rejected. If he failed to intervene and a new compromise deal was reached, the unions might lose control over the workers.

On May 6 Rasmussen finally decided to intervene, while attempting to please all sides. Employees in private industry were to be granted two extra day’s holiday; families with children under the age of 14 were awarded a further three “home care days.” The bosses received compensation for their losses with the abolition of the employers’ sickness benefit tax, and through smaller than planned increases in pension contributions. One day later parliament ratified the compromise.

While the unions accepted the deal, opposition within the rank-and-file remained high. Thousands of workers gathered in front of parliament in Copenhagen and declared they would not subordinate themselves to Rasmussen’s diktat and would continue with a wildcat strike independently of the unions.

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