Danish Social Democrats come out in favor of a “competition state”

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Bjarne Corydon, Denmark’s Social Democratic Finance Minister, has said that the country’s welfare state should be replaced with a so-called “competition state”.

Corydon, who has led the coalition government’s attack on welfare benefits and teachers’ salaries and conditions, made the comments in an interview with the *Politiken* daily on August 24.

Denmark is ruled by a minority government of Prime Minister Helle Thorning-Schmidt, consisting of the Social Democrats, the Radical Left (RV) and the Green Socialist People’s Party,

The term “competition state” was introduced by Professor Ove Kaj Pedersen. As the article in *Politiken* points out, the concept focuses on “effectiveness and productivity” in order “to pare welfare rather than increase it”.

Pedersen, in his book *Konkurrencestaten* (2011), contends that due to the globalisation of world capitalism, ensuring competitiveness in the international market is the responsibility of the state. His book makes a sharp distinction between “those who are able to work” and those who need to be “activated”: a euphemism for driving people off benefits and into paid employment.

This is now the official policy of the Social Democratic-led coalition, which is moving young people in particular off unemployment benefits and social security, and making training for non-existent jobs a necessary condition for financial help. According to one report, of 18,000 who lost their unemployment benefit entitlement, less than 10 percent subsequently found a “proper job”.

“We live in a world of global competition for jobs. For any finance minister wanting to be taken seriously, it’s something to deal with. That requires a modernization of the welfare state”, Corydon remarked to *Bloomberg* news agency.

Noting that Denmark had cut its economic forecast and predicted a widening budget deficit, *Bloomberg* observed that according to Corydon, “The AAA rated nation, whose economy contracted 0.2 percent in the first half, needs to contain welfare spending or risk losing the respect of investors”. If not, it “would be unable to compete with populations that work harder at a lower cost”.

Corydon has made clear that the economic crisis is a pretext for overturning the so-called “Scandinavian model” of extensive welfare state provision. She endorsed the remarks of Mette Frederiksen [Social Democrat Employment Minister], who has advocated gutting benefits “even if there were not an economic crisis”.

The pseudo-left Red Green Alliance (Enhedslisten or Unity List) supports the government and its attacks. It voted for the 2013 budget that made huge cuts in welfare. Its backing encouraged the Social Democrat government to take the historically unprecedented step in April of locking out 70,000 high school teachers, closing schools for more than three weeks. The assault was intended as a warning to the entire public service sector that whoever refused to accept cuts in pay and conditions will face similar measures. Since then the government has made significant inroads against health care, under the banner of “modernisation”.

Taking their cue from the Social Democrats, both the Liberals and the Liberal Alliance are competing as to which of them can offer the best policies for gutting welfare and social spending.

Building on the government’s health care cuts, Lars Samuelson of the Liberal Alliance stated “perhaps we need to be inspired by Sweden where a small charge for going to the doctor’s has been introduced.” Carl Holst of the Liberals suggested DK75 to DK150 per visit (£9.00 to £18.50).

Above all, however, it is welfare payments that are being targeted. *Politiken* on August 18 stated that the Liberals had recently put forward a plan to cut DK4

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billion (£500 million) a year in employment benefits. Lars Barfoed, leader of the right wing Conservative People's Party, topped this by pushing for cuts of DK10 billion (£1.2 billion) per annum. The size of the proposed cuts are put into perspective by the fact that, according to experts, annual expenditure on unemployment benefits currently stands at DK16 billion (£2 billion).

The assault on social services outlined by Corydon and embraced by all sides of the political spectrum is in line with the demands of the Centre for Political Studies (CEPOS) think-tank, which promotes "small government". Its website states that it wishes "to reform and limit direct and indirect economic support from the public authorities to the population. Government support shall benefit only the disadvantaged and will be abolished for people who can support themselves".

CEPOS notes that 2.9 million Danes out of 4.4 million over the age of 18 were either on social security, receiving a pension or employed in the public sector in August, and insists these figures are unsustainable.

Blaming the rise on social security payments on welfare recipients, the think-tank claims that the growth of Eastern European labour in Denmark is due to the fact that unemployed Danes "would rather be on unemployment benefit or social security". CEPOS argues that social security benefits should be lowered to force welfare recipients into jobs.

In order to prepare for the cutting en masse of welfare, a filthy campaign demonising welfare recipients and led by the media has been ongoing for a year. Last September state broadcaster DR ran an interview with a man, Robert Nielsen, who was a long-time recipient of jobless benefits. He was soon immediately slandered in the media as "Lazy Robert "and portrayed as indicative of a whole layer of society.

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