

Danish government loses coalition partner

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Last week, the Danish centre-left coalition government of the Social Democrats, Socialist Peoples Party (SF) and Social Liberals (Radikale Venstre) fell apart when the six SF ministers left the government. Social Democratic prime minister Helle Thorning-Schmidt has already formed a minority government, but now can count on the support of just one third of the deputies in parliament.

The reason for the failure of the coalition was the intended sale of almost one fifth of the state energy firm Dong to US investment bank Goldman Sachs. The bank is to get a seat on the company's board and a veto right on important decisions.

The government justified the sale by saying that the energy concern, which is involved in the offshore wind sector, required resources for major investments. By contrast, the sale met with opposition from broad layers of the population. According to an opinion poll by television channel TV2, 68 percent of the population opposed the sale. Thousands took to the streets in recent weeks to protest against it.

Goldman Sachs is among those sharing the main responsibility for the financial crisis of 2008. The bank is notorious for buying up public infrastructure and projects, which it then sells on for a profit. Since the sale of Dong is being organised through a firm in Luxembourg, which is in turn backed by firms in tax havens like the Cayman Islands and the US state of Delaware, it is also rumoured that Goldman Sachs does not intend to pay tax in Denmark.

However, the sale of Dong is only the tip of the iceberg. Since Helle Thorning-Schmidt took over as leader of a minority government in 2011, despite the worst election results in the history of the Social Democrats, she has broken one election promise after another.

Instead of a tax on the rich, the prime minister, who is known as "Gucci Helle" due to her taste for luxury

items, has implemented tax breaks for companies. Public transport fares have increased rather than fallen. The length of time during which jobless benefits can be claimed was cut, instead of being extended. And the promised investment in health care, schools and roads is still outstanding.

The SF consistently supported these policies, despite describing itself as standing to the left of the Social Democrats. The party emerged from the Eurocommunist faction of the Danish Communist Party in 1959 and today sits in the Green Party fraction in the European parliament. The party cooperates with the New European Left Forum (NELF), as well as with the German Left Party and Greece's Syriza. It achieved significant increases in its vote in 2007 and 2011 due to the rightward course of the Social Democrats.

The SF ministers also promoted the sale of Dong to Goldman Sachs. After a four-hour meeting, the party's executive voted with a slight majority in favour. Only when several members of the parliamentary fraction threatened to vote no, and the fraction chairman and political spokesperson had resigned in protest, did the SF ministers pull out of the government.

Along with the SF, the Red-Green Alliance played a key role in recent years in providing a left cover for the government's anti-working class policies. They repeatedly voted for the governing coalition in parliament, ensuring its survival, and they supported the government's austerity budget in 2013.

The Red-Green Alliance emerged in 1989 as an electoral alliance of the Left Socialists (VS), the Stalinist Danish Communist Party (DKP), the Maoist Communist Workers Party (KAP), and the Socialist Workers Party (SAP), the Danish section of the Pabloite United Secretariat.

The alliance is now seeking to cover its tracks. It forced a vote in parliament to temporarily halt the partial sale of Dong, and collected around 200,000

signatures against it. On their web site, they consider it a great success that the deal was not concluded in December, but that “a broad discussion [could] take place.” They are not opposed in principle to the partial privatisation of the energy concern, promoting its sale to Danish pension funds.

Thorning-Schmidt intends to continue leading the government with the Social Liberals, although the party controls the votes of just one third of all deputies. New elections are not planned, she stated. Since the SF and the Red-Green Alliance have supported her right-wing policies for two-and-a-half years, she now sees it as time to cooperate more closely with the conservative camp. SF has also indicated that it can be counted upon in an emergency.



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