Danish Social Democrats finalise right-wing coalition committed to military build-up and attacks on public services

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22 December 2022

Denmark’s Social Democrats unveiled a coalition agreement with the right-wing Liberals and Moderates December 14 after six weeks of closed-door negotiations.

The agreement, which allows Social Democrat Prime Minister Mette Frederiksen to remain in power, contains an accelerated plan for a significant military spending increase and a comprehensive “reform” agenda to gut social services and the welfare state.

The new three-party government is the first in over four decades to include parties from the two traditional “left” and “right” blocs. The Social Democrats, which head the “red bloc,” emerged victorious from the November 1 general election and had the necessary parliamentary majority to continue in government with the support of its “red bloc” allies. However, having campaigned to establish a government of the “centre,” Frederiksen worked systematically to exclude other “red bloc” parties from the unprecedentedly long coalition talks so as to win over the Liberals, traditionally the largest party within the conservative “blue bloc.” The Moderates are a new party set up in June 2022 by former Liberal Prime Minister Lars Løkke Rasmussen, who has advocated for a coalition of the “centre” since 2019.

The new coalition expresses the rapid rightward march over the past two decades of the entire Danish political establishment, which has fully embraced policies of war abroad and attacks on workers at home. It is revealing in this regard that the Social Democrat Frederiksen will lead a government with Løkke Rasmussen as her foreign minister. Løkke Rasmussen was a close ally and followed in the footsteps of Anders Fogh Rasmussen, who was notorious for his full-throated backing for the Bush administration’s illegal invasion of Iraq, and was awarded for his loyalty by subsequently becoming NATO Secretary-General between 2009 and 2014.

Frederiksen’s coalition has committed to increasing Denmark’s defence spending from its current level of about 1.4 percent to 2 percent of GDP by 2030 rather than the 2033 deadline contained in an agreement between the Social Democrats and right-wing parties in March. To partially fund the additional military spending, a statutory holiday will be scrapped.

The Social Democrats announced in October that a major focus of the rearmament plans will be to strengthen Denmark’s military presence in the Arctic and Baltic regions. Explicit reference was made to the increased tensions produced by the as yet unexplained bombing of the Nord Stream gas pipeline, a short distance from the Danish coast, in late September.

The agreement includes a massive tax cut for high-income earners, with the top national income tax rate slashed in half for incomes over 750,000 kroner (about €100,000). The increase of the national income tax from 15 to 20 percent for incomes over 2.5 million kroner, which was touted by the Social Democrats, will have little impact given the fact that the super-rich who fall into this category earn substantial amounts of their income from shareholders’ payouts and other bonuses. Danish income tax is divided into national and local rates, with the local rate, which is set by municipalities, averaging around 24 percent.

To fund the defence spending hike and tax cuts for the wealthy, sweeping privatizations and cutbacks to Denmark’s public services will be imposed. Framed by Frederiksen as “debureaucratising” public services, the government plans to give citizens more “choice” in selecting service providers, opening up services like elderly care and education to private sector operators, rolling back state regulations to facilitate profit-making. Government assistance for students will be slashed by up to half for some courses, while the elderly will be bullied into staying in employment through cuts to pensions and other “incentives.”

The three coalition parties announced the creation of a “health care structure commission” to propose reforms. Years of austerity and low pay for nurses and other health care workers, combined with the impact of the pandemic, have produced a nationwide health care crisis.

In addition to raising funds for Denmark’s military build-up, attacks on workers and public services are aimed at footing the bill for the significant financial support extended by Frederiksen’s Social Democrat minority government to big business during the early stages of the COVID-19 pandemic.

The new government’s programme is an intensification of
The new coalition’s domestic programme of austerity and public sector “reform” will hit a population already feeling the effects of inflation, increased energy prices, and years of public spending discipline. According to the latest figures from the national statistics agency, Danmarks Statistik, 44 percent of respondents described their ability to meet household costs with their current incomes as very challenging or quite challenging, up from 36 percent in 2021. The agency noted in late November that Denmark’s Gini coefficient, a measure of social inequality, passed 30 for the first time since records began in 1997. The scale ranges from 0 (total equality) to 100 (all income controlled by a single person). One reason given for the growth of inequality was the sharp rise in the Danish stock market during 2021, largely the product of the Social Democrat government’s pro-corporate response to the pandemic.

Political developments in Denmark in recent decades are replicated throughout the Nordic region. Once held up by “progressives” and pseudo-left forces as an example of what could be accomplished by a national reformist perspective on a capitalist basis, the Nordic countries have become synonymous with militarism, far-right anti-immigrant agitation, and attacks on workers and public services. Whether led by nominally “left” parties as in Finland, Norway, and Denmark, or openly right-wing parties as in Sweden, governments throughout the Nordic region are serving as key allies of the imperialist powers in their war of plunder against Russia.

The only way for workers across the region to oppose these dangerous developments is by rejecting all nationalist pipe-dreams of a return to the “Scandinavian model,” and take up the fight to unify their struggles with those of the working class throughout Europe and internationally on the basis of a socialist and internationalist programme. This necessitates the building of sections of the International Committee of the Fourth International throughout Scandinavia.