

# TRADE UNIONS and Welfare under a Liberal Government: A Danish Viewpoint

DENMARK experienced a change from a social democratic government to a neo-liberal government with hard line right wing economic policies. Trade unions are expecting increasing pressures.

The big city branches of the Danish National Trade Union Organisation (LO) had assembled 400 shop stewards on 5 April this year at a conference, "Welfare in the Future", to survey the situation for the Danish wage earners here two years after the turn from social democratic to liberal rule. Many of the representatives warned that the dismantling of the welfare state, which took almost one hundred years to build up, is well under way.

The aim of the government's decentralised cutback strategy is to let the municipalities and counties (*kommuner/amter*) do the dirty work. The trade-union movement defence and pressure strategies in the future should focus more on locally elected organs, the powerful Association of Municipalities (*Kommunernes Landsforening*), and on mobilising the public servants. The conference appealed to the town councillors among others to resist the government's proposals. The unions also plan strong resistance in the upcoming negotiations.

The liberal government has sat an overt ideological agenda. The traditional Scandinavian tax financed

always been favoured with a low tax level, but now the government's short-sighted "tax-stop" threatens with a indebted and run-down public sector. At the same time, the reduction in unemployment benefit will lead to lowered purchasing power and most probably will slow down growth.

MPs from the three labour oriented parties represented in the Danish parliament took part in the conference. They expressed the wish for an alliance between the left political parties and the trade unions with the aim of overturning the right wing government at the next election. The social democratic leader, Frank Jensen, admitted that mistakes had been made during the former social democratic lead government: "Industrial struggle is also political struggle. During the nine years we were in



Anyway, it is of cause important to state that even if cutbacks have unpleasant consequences for the Danish wage earners, the living standards here are still higher than in almost any other country.

That might explain why an overwhelming majority of the Danish population according to opinion polls wants to keep the Danish aid to the developing coun-

solidarity with low-paid workers and unemployed will be replaced by a society with more freedom of choice for well-to-do people ("the have's"). The health sector is privatised more and more and it is now possible to buy a preferential position for a hospital operation, better quality day-care, and extended home help, while those who cannot afford it ("the have-nots") must wait in queue to get a lower standard of health care.

The government's so-called tax-stop will increase private middle class consumption at the expense of public spending in the area of 10 billion *kroner* (9.3 billion Rand) in the years to come (which is pretty much in a country with 5 million people) and the so-called "right to challenge" for private companies, which is just another word for farming out public services, will force the municipalities to demand more direct user's fees from citizens, which will again destroy feelings of belonging and solidarity, apart from increased costs, in many areas.

The 'lack of public funding' argument is then used by the government as a battering ram for its ideological policy for example to compel decisions on sales of public supply services (schools, power stations, wastewater treatment plants etc.) to fill the need for cash. The government is constructing the myth that the growth in public expenditure is out of control, even if the facts is that the public sector share of BNP has been falling during the 1980s and 90s and that the Danish BNP is today about 10 times the size it was when the modern welfare state was laid out in the beginning of the 1960s.

The trade union leaders at the conference suggested that companies exploiting the oil in the North Sea should be taxed harder. Because of the national interests in subsidizing the biggest Danish capitalist, A.P. Møller, (well known also in South Africa for his shipping company "Maersk"), this oil production has

power, we depoliticized (the) labour struggle. Next time we must keep the political awareness mobilised". By this, he complied with parts of the unions who fear that they are just getting used as ram for a social democratic return to government power.

The Danish welfare debate bears many similarities to ongoing discussions about the adverse effects of liberalism globally and also in South Africa. A well-known Danish social democratic historian, Søren Mørch, has thus argued that the insurance against social revolt simply has become cheaper because the Eastern block's attempts to create a working socialism as a real alternative went wrong and did not materialise.

BNP). Unfortunately, the liberal government has already reduced the aid with approximately 20 % and made it less poverty oriented. As this area is one of the few where a small country can get international influence, this will probably harm Danish export and reduce jobs, but our present government seems to think that taking actively part in the war against Iraq was a better way of promoting our country and its people. □

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than time, pervades  
everything; for  
everything that  
happens is in a  
place.

- Simplicius, *In  
Aristotelis  
categorias  
commentarium*

*Plato - The Timaeus*

*All are changing the  
direction of their movement,  
this way and that, towards  
their own regions: for each  
[primary body], in changing  
its size, changes also the  
situation of its region. In this  
way, then, and by these  
means there is a perpetual  
safeguard for ...*



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