European **Elections monitor**

The Opposition in the Lead in the Danish General Election Race

From Corinne Deloy Translated by Helen Levy

> **D-7** 7 days before the poll

Economic issues, notably the recovery of growth, more jobs and the protection of the Welfare State are the focus of the Danish general election campaign. The election will take place on 15th September next. The present economic crisis has taken over from immigration, which was the main focus of attention in the elections in 2001, 2005 and 2007, years when the Danish economy was flourishing.

"People have dropped the theme of immigration which has been the heart of the political agenda for the last ten years. Moreover the Danes are satisfied with what their government has done in this area, which, in their opinion, has succeeded in reducing immigration in the main," says Jacob McHangama, co-director of the think-tank Political

The Danish People's Party (DP), on the far right, led by Pia Kjaersgaared, and a provider of parliamentary support to the government led by outgoing Prime Minister Lars Lokke Rasmussen (Liberal Party, V), has on several occasions tried to bring its favourite subject to the fore. Hence it suggested moving the reception centres for asylum seekers from Denmark to the countries from where the asylum seekers come, such as Pakistan and also the Hom of Africa and the Middle East. The People's Party continues to fight for greater control over the country's borders. Hence on July 1st it succeeded in convincing the government to restore permanent customs controls on the borders in exchange for its support to the reform of early retirement pensions. "In a globalised world it is important to protect our Welfare State from people who come from elsewhere and take advantage of the benefits our society can provide," declared Peter Skaarup, the DP's spokesperson for Justice.

The outgoing Prime Minister has repeated that he will not form a government alliance with the People's Party after the election on 15th September. After the crime committed by Anders Behring Breiving in Norway on 22nd July last (76 deaths in a shooting incident), Lars Lokke Rasmussen has, over the last few weeks, tried to distance himself from the People's Party.

The National Statistics Institute reviewed its socio-economic data upwards for the first quarter of 2011 (increase of 0.1% of the GDP). Hence Denmark has escaped (after two consecutive quarters of negative growth) recession, since the Danish GDP contracted by 0.2% in the fourth quarter of 2010. "This confirms that we are experiencing a moderate recovery and that the plan set up by the government to boost consumption was the right one," commented Finance Minister Claus Hjort Frederiksen (V). On 23rd August the government revealed "its sustainable growth plan" designed to stimulate growth over the next two years. Totalling 10.8 billion crowns (1.4 billion €), the latter includes several investments in the construction sector (further public spending – notably in terms of road and rail infrastructures help to the property market - suspension of certain local taxes and also on fees to register property - and support to investment and private consumption). "The economy is moving in the right direction," declared Kristian Thulesen Dahl, in charge of financial issues for the People's Party.

Steen Bocian, an economist for the Danske Bank, sees an encouraging sign in the most recent figures published by the National Statistics Institute but warns that the data does not take into account the financial and economic crisis of this summer, the effects of which are not due to emerge in statistics until the 3rd and 4th quarters of 2011. "Denmark has just managed to avoid the recession. We should be happy but the figures reveal the fragility of the Danish economy," indicates Michael Staehr, chief analyst at the Sydbank.

Denmark is due to experience growth of 1.7% this year and 2% in 2012, according to the latest Central Bank figures. According to the latter the decline in household consumption was balanced out by an increase in public spending and investments. The decrease in consumption, a lifeless property market and high salaries (some of the highest in the world) which impede growth and reduce competitiveness are still a problem for Denmark.

The government believes that fiscal consolidation and severe social cuts (notably the reform of early retirement pensions and

a reduction in aid granted to students) should prevent the public debt from rising and enable budgetary balance by 2020. The opposition forces want to fund the debt via growth. They are suggesting to boost public investments and to extend the weekly working time (by 12 minutes per day) to improve productivity and fiscal revenues. "The Danes must choose between uncontrolled debt and the upkeep of their Welfare State," declared the Prime Minister Lars Lokke Rasmussen who maintains that the government has chosen a policy to limit spending and that it is fighting to counter tax increases (the Conservative Party, an ally of the Liberal Party at the head of the State, supports further tax reductions to stimulate demand) whilst the opposition, which he depicts as irresponsible, is planning to boost growth via further borrowing. The left wing regularly promotes budget figures: Denmark has indeed moved from a 5% GDP surplus to a budgetary deficit of 4.6%.

The Social Democratic Party (SD) won the local and regional elections on 17th November 2009. In the local elections it won 30.7% of the vote, ahead of the Liberal Party (V), which won 24.8% of the vote. In all the left won 51.2% of the vote against 43.9% to the right. The Social Democrats won in Copenhagen, Aalborg and Odense. Regionally they won three regions (Hovedstaden, Midtjylland and Nordjylland) and the Liberal Party two, (Sjaelland and Syddanmark).

"The Liberal Party and the Conservative Party are going to ballot with the idea of working with all of the Danish political class," declared outgoing Prime Minister Lars Lokke Rasmussen.

According to the polls the so-called "red" coalition that brings together the opposition parties (Social Democratic Party, the People's Socialist Party (SF), the Social Liberal Party (RV) and the Unity List (E)) are due to win the election on 15th September. In a poll published by the daily Jyllands-Posten the Ramboell Institute credits it with 53.8% of the vote (95 MPs in parliament) against 46% for the so-called "blue" coalition (80 seats) that brings together the Liberal Party, the Conservative Party and the Danish People's Party.

The gap between the two coalitions is just as big in the poll by Voxmeter, published by the press agency Ritzau: 54.6% for the opposition (97 MPs) and 44.6% for the government parties (78 seats).

Finally, according to the Berlingske Barometer dated 6th September last, 52.4% of the electorate is about to vote for the red coalition (92 MPs) and 47.6% for the blue (83 seats). The Social Democrats are due to win 25.8% of the vote - a low score (just above that achieved in the last general elections on 13th November 2007) but which would enable them to recover their position as Denmark's leading party, ahead of the Liberals, who are due to win 23.7%. The Danish People's Party is credited with 12.3%

Although his party is losing ground in the polls, outgoing Prime Minister Lars Lokke Rasmussen is however deemed by his countrymen to be the most credible political leader according to a poll by Ramboell for the daily Jyllands-Posten. Nearly two Danes in ten (19.4%) who were asked to appoint the most credible politician quoted the head of government; 16,4% would choose Marghrethe Vestager, leader of the Social Liberal Party (RV), 14.2%, Helle Thorning-Schmidt, the Social Democratic leader and 9.2% Pia Kjaersgaard, leader of the People's Party.

"The Danes are tired of having a government which has been the same for the last ten years. They want something else. We have a tradition in this country: governments last ten years. We are now going to be governed by the Social Democrats for some time," declared Svenning Dalgaard, political editor of the TV channel TV2. "We are going to have a new government after the general election on 15th September next but post-electoral negotiations between the various parties will be difficult," stresses Soren Risberg Thomsen, professor of political science at the University of Aarhus.

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