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Denmark

Popular 'no' vote defeats Euro elite

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Hundreds of jubilant young left wingers gathered in front of Christiansborg on the eve of September 28 to celebrate the 'no' victory in Denmark's referendum on entry to the Euro. Meanwhile, behind the walls of Parliament, there were tears and bitter comments from the establishment politicians.

In spite of a massive scare campaign, a 53.1 per cent majority came out against Danish participation in the single currency - a verdict strengthened by a poll turn-out of 87.8 per cent.

The bulk of the 'no' votes came from within the pro-Euro parties' electorates. More than a quarter of Liberal and Conservative voters said no. In spite of a well-planned campaign from the Social Democracy and the Danish trade union confederation LO, 40 per cent of social democratic voters said no. And even though the pro-Euro wing of the Socialist People's Party (SF) got lots of friendly media attention for their "New Europe" campaign (funded by the Confederation of Industry!), 88 per cent of SF electors chose to say no.

While the working class was clearly divided on the Euro question, there was certainly a massive no vote from what is often termed "under-Denmark": the poorest, least educated urban areas showed a 'no' majority of around 60 per cent, while well-off areas went to the 'yes' side by as much as 70 per cent.

The ones who felt marginalised and threatened by "development" are very likely to have rejected the Euro while many of the better-off workers gave it their consent.

In the final phase of the campaign SF leader Holger K. Nielsen became the main spokesperson for the "no side", engaging in an intense polemic with Nyrup Rasmussen on welfare questions.

Pia Kjørrsgaard, leader of the far right, xenophobic Danish People's Party (DF), has been portrayed in some media as the "No Queen". It is true that the right wing, not least DF, has been clearly strengthened since previous referendums. Social democracy did its very best to focus on the role of DF in order to deter progressive EU sceptics from sharing a 'no' vote with nationalists.

The DF campaign called for a "Danish vote" to protect "crown and country", but stayed low key on its anti-immigrant issues in order not to stage unnecessary provocations.

Denmark's two main EU-critical cross-party movements, the People's Movement against the EU and the June Movement, including many left wing activists, favoured the broadest alliance stopping short of Pia Kjørrsgaard's party. They entered into a "Euro No"-campaign including, among others, the Thatcherite Conservative Youth. When it came to actual campaigning, though, the right wing seem to have played a very humble role.

Parallel to this, individual campaigns were carried out by the Socialist People's Party (SF), the Red-Green Alliance (Enhedslisten) and other left wing parties, as well as by minority currents inside Social Democracy and bourgeois parties.

Overall, the 'no' campaigns proved less problematic than could have been feared. They were not marked by nationalism and self-sufficiency, while such attitudes did make themselves felt among part of the electorate. No'

campaigners often put forward the situation of East Europeans who are having a hard time joining the EU because of the harsh EMU criteria. And, as pointed out by an Enhedslisten poster: "The world is larger than the EU".

The impact of the EMU on the welfare system played a major part in campaigns ranging from the left wing to social democratic dissidents and even some bourgeois groupings. Increasing tax competition combined with the Stability Pact rules against budget deficits constitute a threat to the funding of the Welfare State, it was argued. In Denmark, 69 per cent of welfare payments are tax financed, a share far larger than in most Euro countries.

Prime minister Poul Nyrup Rasmussen has been boasting about his role in placing "employment" high on the EU's agenda. He even put forward the Lisbon summit last March as proof that the social Europe is happening right now. "Insubstantial and obligation-free". That is how another prominent social democrat, Ivar NÃrgaard, referred to the Lisbon employment goals. As a government minister, NÃrgaard co-signed Denmark's joining the EC in 1973. But he was deeply disappointed when the Maastricht criteria were laid down without including one on maximum unemployment. 'The problem with the euro is that the price stability goal is given a far higher priority than the employment situation of the various countries', he said.

Ole Jensen, a representative of "Trade Unions against the Union", also warned against the Lisbon theses according to which millions of new jobs will be created in small and medium sized enterprises. Behind all the talk of "innovation", he puts his finger on well-known corporate-friendly prescriptions making up the concrete measures agreed in Lisbon: - You have proposals to alleviate taxes on the lowest paid, so that, in return, their wages can be lowered. And once again, you have the demand for greater flexibility. This usually means lower wages, wider wage gaps, uncomfortable working hours and easier access to sacking workers.

The "yes" establishment had at its disposal by far the most money, the government services, three quarters of the MP's, massive support of employers' as well as trade union federations, and all major newspapers except one tabloid. However, the "yes" vote was weakened by a series of mistakes.

A few weeks before the referendum, the Prime Minister made a fool of himself by "guaranteeing" the future of the national pension scheme. This guarantee was considered untrustworthy by three quarters of the public, especially since, in order to win the 1998 general election, Nyrup Rasmussen "guaranteed" the early retirement pension, and six months later introduced an important element of private insurance, thus adapting to EU policies.

While the 'yes' parties tried to keep the EU core countries' plans of increased EU powers from the public, the 'no' side was able to quote leading EU politicians voicing demands for further harmonisation and an "economic government" still louder as the euro rate went down.

According to some analysts, the 'yes' side could have gone on the offensive by arguing openly in favour of a closer political Union. However, most pro-Euro politicians were painfully aware that this would have caused an overwhelming 'no' majority.

Opinion polls before and after the referendum show that, in general, the Danes are interested in and well-informed about EU questions, but they tend to be sceptical towards the Union project because they fear that the EU is undermining democracy. According to an opinion poll shows that half of the voters made their choice on the basis of the general EU development.

That is why the 'yes' side resorted to a scare campaign similar to the ones used in the five previous EU referendums in Denmark. Failing to join the Euro, portrayed as a shelter of solidarity against "crude market forces", the crown would come under pressure causing interest rates to go up, which would cost 20,000 jobs and 20 billion crowns.

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Voting 'no' would unleash a package of austerity measures.

The same message was conveyed by an alliance of bosses and trade union officials. Full-page advertisements showed managers and shop stewards saying: "We, the people working in the enterprises, fear a no vote". Nevertheless, the catastrophe scenarios failed to convince a majority and were falsified by the extremely moderate response by markets in the days following the vote.

The 'no' victory was a heavy blow for Poul Nyrup Rasmussen and his Social Democrat-Social-Liberal government. While promising a series of "people's hearings", the government is trying to prevent EU critics from gaining any influence on Danish EU policies.

The negotiations on a new EU treaty to be decided in Nice in December are central to the discussions about the consequences of the 'no' vote. The government claims that the Nice Treaty is something completely different, while the EU-critical movements demand that the government puts a brake on the Union train in Nice by blocking for further majority decisions, particularly on social questions.