Welfare State Criticism as Elite Criticism in 1970s Denmark

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6 Welfare state criticism as elite criticism in 1970s Denmark

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The 1970s saw the rise of a new kind of “knowledge” regarding the Danish welfare state. Voiced by politicians, social commentators, and scholars, this knowledge was critical by nature and depicted the welfare state as an enterprise run by a new ruling class – the public employees in control of the public sector – against the interests of the majority of the population. In other words, it introduced a new mode of welfare state criticism framed as elite criticism. Concurring with, and reinforcing, the so-called crisis of the welfare state, this criticism of elites challenged the fundamental values and the very legitimacy of the welfare state model created in the postwar era.¹

This chapter describes the advent of welfare state criticism as elite criticism in the Danish political debate. It focuses on three of the most prolific contemporary critics of the welfare state: founder of the libertarian populist party Fremskridtspartiet (The Progress Party), Mogens Glistrup; Marxist and economist Jørgen Dich; and Bertel Haarder, member of the Danish Liberal Party (Venstre).

The chapter highlights how welfare state criticism as elite criticism came about in processes of conceptual circulation and transformation, which, at times, eluded individual intentions and control but nonetheless signified an ideational convergence between the left and the right in thinking about the welfare state. This convergence unfolded through a shared historical diagnosis of the contemporary political crisis challenging the traditional understanding of the role of the welfare state in creating an efficient economy and a fair distribution of wealth and power in society. Commentators across the political spectrum thus started to explain current societal problems and challenges by referring to flaws in the institutions of the welfare state, rather than referring to the forces of capitalism. Moreover, instead of portraying capitalism as a destructive force that needed to be tamed and controlled via the welfare state institutions, they started to look upon market mechanisms in a more positive light and question the very idea of the state as a legitimate social planner and collective decision-maker. Against this background, the criticism of elites voiced from the early 1970s onwards in different ways aspired to initiate market-related reforms of the welfare state.
As we shall see, the shift in focus from market defects to government failure in discussions on societal problems did not represent a uniquely Danish phenomenon but was in line with trends within mainstream economics and debates taking place in several other countries. While the welfare state survived its crisis in the 1970s (and still exists in a modified form), welfare state criticism as elite criticism contributed to major long-term transformations in political thought and practice in Denmark and elsewhere, in particular with respect to approaches in relation to the public administration of the welfare state. Moreover, it continues to inform ideologically diverse calls for societal reform today.


It is well-known that Denmark, Sweden, and Norway in the postwar period followed a distinct welfare model in which the state played a key role in the protection and promotion of the social and economic well-being of its citizens and that social democratic parties played a crucial role in creating this model. In a Danish context, during its long spell as the leader of the government during the period 1953–1968, the Social Democratic Party spearheaded a number of key reforms offering welfare provision for the whole population. One example is the tax-financed and universal People’s Pension, ratified in 1956, which was interpreted by contemporaries, such as prominent politician and member of the Conservative Party Poul Møller, as a breakthrough of the welfare state.

Insofar that all major parties supported the major reforms, the Danish welfare state was established and extended in a climate of consensus politics. However, especially in the 1950s, the two major opposition parties Venstre (the Liberal Party) and the Conservative Party strove to undercut the social democratic welfare state agenda. Their most famous effort was the so-called VK Plan launched by the two parties in 1959. The VK Plan aimed to scale back the welfare state through substantial tax reliefs and reductions in state budgets and spending. The intention was to reduce the role of the state and make individual citizens more responsible for their own lives. Even if it was a purely economic plan, it formed part of the opposition’s moral critique of the welfare state as a “guardian state” destroying individual freedom and initiatives.

Indeed, in spite of the consensus with respect to practical politics, criticism of the welfare state had begun already during its initial phase in the early 1950s. Three types of criticism were particularly common. The first was an economically liberal form of criticism voiced against a public sector seen as a threat to free enterprise and as unaffordable for the public purse. The second was a moral conservative critique of how the welfare state as a “guardian state” put the individuals under tutelage. While both criticisms were voiced mainly from the right side of the political spectrum, politicians, intellectuals, and scholars from the left launched the third type of criticism. They saw the welfare state as part of the capitalist system, as it served to defend capitalism against a radicalisation of the working class: while retaining private ownership over the means of production, the welfare state neutralised the revolutionary potential of the workers through social benefits.
New voices extended the criticism of the welfare state during its consolidation phase in the 1960s. The youth movement revolted not only against capitalism, imperialism, and exploitation in the third world but also against what it perceived to be a technocratic, authoritarian, and consumerist welfare state at home, which numbed and alienated its citizens by offering standardised consumption as their only pleasure. This revolt involved demands to create a society based on the notions of autonomy, self-determination, and self-management, which allowed for a more direct participation of individuals and small groups in the making of societal politics and culture.8

Furthermore, a series of public debates regarding how the welfare state spent its tax revenue began in the mid-1960s. The most famous of these was the so-called Rindalism debate, named after warehouse worker Peter Rindal, who reacted to the establishment of Statens Kunstfond in 1964 – an institution that was to award stipends (including lifelong benefits) to artists, financed through taxation. Rindal specifically questioned whether tax money should be used to support artists who were allegedly unable to sell their products and whether art circles in Copenhagen should force what he took to be frequently unwanted and incomprehensible art installations upon provincial towns. Rindal came to personify the ordinary Dane’s disapproval of support to art, which was conceived as irresponsible spending of state finances that was forced upon and paid for by the population.9 This critique merged the various strands of criticisms launched since the mid-1950s portraying the welfare state as an economically irresponsible, patronising, and repressive political order.

Despite the criticisms voiced against the welfare state, and the end of sixteen years of Social Democratic government in 1968, the Social Democratic Party remained optimistic regarding its welfare state project throughout the 1960s. The party had good reasons for its optimism. The 1960s are today known as the “golden age” of the Danish welfare state, when, against the backdrop of the international economic boom, the political visions concerning universal coverage of citizens became entrenched. The decade was characterised by economic growth, low unemployment, and little concern for the growing tax burden caused by the expansion of the welfare state. In this context, the political agenda to secure, safeguard, and extend social rights to welfare benefits was sustained.10

However, this changed in the early 1970s, when the international oil crisis, rising taxes, and growing unemployment hit Denmark (and several other countries around the world). These developments gave birth to a widespread discussion on the crisis of the welfare state. As part of this crisis, politicians and intellectuals from across the political spectrum challenged the fundamental values and very legitimacy of the welfare state. As summarised in volume 5 of Dansk velfærdshistorie [Danish Welfare History]:

A whole range of issues were increasingly questioned: the tax burden, the expansion of the welfare system, the number of public servants, equality as a political aim, the efficiency of the public sector, the deficiencies and negative side-effects of the welfare state, the standardisation of its services,
the lack of control mechanisms, the bureaucracy and the lack of regard for individual preferences.\textsuperscript{11}

As indicated in this quote, criticism of the welfare state and its growing public sector was economic and political in nature. According to its critics, the welfare state was ineffective and expensive, in addition to repressive and undemocratic, as it subjected its citizens to and made them dependent on a system that was particularly beneficial for its rulers – the public servants.

Stating that a minority of the population governs modern society and excludes the majority from political decision-making, the new mode of welfare state criticism emerging in the Danish political debate in the 1970s was framed as elite criticism.\textsuperscript{12} To be sure, the role of elites and the issue of technocratic rule had been subject to criticism in welfare state debates since the early 1950s. However, these themes had never been at the centre of these debates or discussed in an entirely pejorative manner. For example, some social commentators had stressed that the welfare state by necessity had to be run by experts and bureaucratic elites, who could handle the increasingly specialised and complex tasks involved in organising modern society.\textsuperscript{13} In the 1960s, beginning with Peter Rindal’s critique of Statens Kunstfond, the role of elites in the welfare state gradually moved to the centre of the political debate and was discussed in a more sceptical and critical manner. However, it was only in the early 1970s, in the context of a major economic crisis and political upheavals, that elite criticism became a dominant mode of welfare state criticism.

While many politicians, scholars, and intellectuals from different ideological camps voiced welfare state criticism as elite criticism, some played a more crucial role than others in framing the debate on the crisis of the welfare state. In the following, we zoom in on three of the most widely read and debated critics of the welfare state: Mogens Glistrup, who rose to fame as a lawyer, tax protestor, and founder of the populist party Fremskridtspartiet in the early 1970s; economist and Marxist Jørgen Dich, who authored the perhaps most debated book of the era, \textit{Den herskende klasse} [The Ruling Class]; and Bertel Haarder, member of Venstre, who, inspired by Glistrup and Dich among others, published a flood of articles and books addressing the crisis of the welfare state in the 1970s.

Indeed, as seen in the following, welfare state criticism as elite criticism was constructed in processes of circulation through which social commentators picked up, appropriated, and transformed rhetorical styles and political concepts to fit several highly diverse political agendas. However, as illustrated by the cases of Glistrup, Haarder, and Dich, welfare state criticism as elite criticism also reflected a broader ideational convergence between the left and right in thinking about the welfare state that took place in the Danish political debate in the 1970s. Most importantly, political commentators from across the political spectrum arrived at a shared idea of the welfare state as a deeply problematic enterprise run by an elite of public employees in control of the public sector, against the interests of the population at large.
Welfare state criticism as elite criticism

Before entering the political stage, Mogens Glistrup had been an associate professor in tax law at the University of Copenhagen and owner of one of Denmark’s leading law firms. He became known to the broader public on national television on 30 January 1971, when, on the last day for sending in the tax return, he praised tax fraudsters as the “freedom fighters of our time” and displayed his own tax card with a tax rate of zero. His television appearance caused uproar among Danish politicians, and Finance Minister Poul Møller from the Conservative Party sent a complaint to the Danish Broadcasting Corporation, stating that it should instead have presented factual information on filling out the tax return. The government proceeded to have police and tax authorities launch an investigation into Glistrup’s finances.14

On 22 August 1972, Glistrup founded Fremskridtspartiet. The party’s agenda was to reduce the size and scope of the public sector, lower the tax burden, protect individual freedom, and provide private businesses with better opportunities for hiring employees. Fremskridtspartiet shocked the political establishment by entering Parliament with 16 per cent, thus becoming the second largest party in the so-called Landslide Election of December 1973. Altogether, the election saw five new or previously unrepresented parties winning seats and more than half of the members of parliament being replaced. The election was a disaster for the old political parties. The Social Democrats went from 37 per cent to 26 per cent of the votes. The Conservative Party was nearly cut by half, and Venstre and Det Radikale Venstre suffered heavy losses.15 Clearly, the voters had grown tired of the traditional welfare state consensus politics constructed and sustained by the old parties.16

Glistrup criticised what he labelled “gammelpartierne” (the old parties) for being out of touch with political developments, and his unorthodox appearance and style sparked a renewed interest in politics.17 Alongside provocative statements (such as his comparison of freedom fighters and tax fraudsters) and policy proposals (such as his suggestion to replace the Ministry of Defence and the Ministry of Foreign Affairs with an answering machine in Russian stating that Denmark surrenders), Glistrup became famous for his use of an ironic and sarcastic rhetoric against the public sector and the high tax levels in Denmark. This rhetoric included a number of negatively charged concepts used for describing government bureaucracy and its employees, such as “skrankepave” (jack-in-office), “papir-vælde” (red tape), “papirnusser” (paper-pusher), and “lovjungle” (regulatory jungle).18

In large part framed through these concepts, Glistrup’s welfare state criticism as elite criticism conveyed the notion of a Danish society run by bureaucrats in control of an ever-growing, inefficient, and wasteful public administration, who felt superior to and made life difficult for the Danes. Moreover, Glistrup contended that the power of the bureaucrats dominating the public administration relied on the support they received from other (well-paid) employees in the public sector – including social workers, secretaries, and economists – and
on their presence in and influence on other power bastions in Danish politics. For example, he claimed that public administrators held a “majority position also in parliament” through their close ties to what he labelled the “partivælde”: that is, a political system dominated by very few parties. The result was “a society in which a small group in reality has a monopoly on the political power apparatus.”

For example, Fremskridtspartiet already in 1973 referred to itself as “Denmark’s real PEOPLE’S party” and stated that it aimed to “curtail the forces of control and power found in the administrative apparatus” as a way to protect the interests of regular Danes against those of the despotic and selfish elite.

While his criticism of the welfare state was rich in terms of suggestive one-liners, slogans, and concepts, Glistrup did not offer a larger, systematic, and theoretically informed analysis of how and why the welfare state had become a societal order run by an inefficient, condescending, and selfish public administration. However, Jørgen Dich unfolded such a framework in Den herskende klasse, which appeared in November 1973, shortly before the Landslide Election.

As an advisor to Social Democratic politicians since the 1930s and as director of the government’s Employment Council in the early 1940s, Jørgen Dich had been involved in the making of the Danish social state. In 1950, he became a professor of economics at Aarhus University with a focus on social and welfare politics, subsequently authoring a series of theoretical justifications of the rationality of the welfare state. The critical tone of Den herskende klasse, which, as reflected in its title, portrayed the welfare state as the political project of the ruling class, thus surprised many of its readers. However, Dich’s turn from theoretical justification to political critique had been long in the making and reflected a broader ideational convergence between the left and the right in thinking about the welfare state, which had its roots in public debates on this topic that took off already in the early 1950s.

Economists working as bureaucrats and/or as university professors, who were involved in the decision-making processes leading to the creation of the welfare state, were among the most dedicated participants in these debates. Some of them eventually started identifying seemingly deep-rooted challenges and problems in the ideational foundations and institutional dynamics behind the system. Hence, they argued against “too much” welfare state. They agreed that to uphold the efficiency of production and provide democratic legitimacy to the welfare state, the system required a certain degree of private ownership, private initiative, free choice of consumption, proper incentives, a “healthy fear of dependency”, and less bureaucratisation. However, they also questioned the very possibility of balancing individual and collective needs, welfare and efficiency, and freedom and equality in a sustainable and legitimate fashion within the framework of the welfare state.

Some of these economists grew increasingly critical of how the welfare state had developed in practice. Moreover, they felt that its flaws could not be explained with reference to old paradigms and tools but required new analytical frameworks. This was also the case for Jørgen Dich, who arose as a key voice in
the debates on the welfare state. In *Den herskende klasse*, abandoning his theoretical justifications of the welfare state in favour of political critique, he expanded upon the analytical perspectives on welfare economics he had developed since the 1950s. These perspectives merged Karl Marx’s theory on class struggle with public choice theorist Anthony Down’s theory on the median voter and economist Alfred Marshall’s ideas on supply and demand, marginal utility, and costs of production. Against this background, Dich described the welfare state not as the product of a specific programme or ideology but as the (costly) outcome of party-political concerns for the median voter and the domination of the public sector by power-seeking interest groups. These groups, Dich argued, assumed control over the state by forcing overtly expensive government services on the happily receiving population without regard for people’s real wants or for economic efficiency. Hence, in his assessment, the rulers of modern society were not the capitalist class but public servants in the social, educational, and health sectors. With regard to this ruling class, he wrote:

> Its power is not based on possession, but on its ability to create an obliging social ideology, which has its roots in a humanistic culture, escape from manual labour and the fear of illness and death. It is shaped in a mode of perfectionism and a societal critique, which safeguards the interest of this class in terms of high salaries, limited work, and a massive expansion of the public sector. This expansion in many ways oversteps the limit where costs exceed societal utility, thus causing a social degradation and economic exploitation of the rest of the population.

Dich’s analysis of the welfare state in many respects overlapped that of Glistrup. Among other things, similar to Glistrup, Dich argued that welfare state institutions and their employees, rather than market forces, had caused the crisis of the welfare state. Moreover, after criticising the workings of public sector institutions, in *Den herskende Klasse*, he (provokingly) praised the societal role of private companies and market forces:

> Let Mærsk Møller [the major Danish shipping magnate] symbolise a system that has doubled working wages in the past 25 years (and quadrupled them since 1870), and let Heinesen [the contemporary Social Democratic minister of finance] represent the ruling class, which takes the money from the workers that they owe to the initiatives of Mærsk Møller and distributes it as high wages to itself and to the superfluous education of its children. Which of these two represent the interest of the workers?

Moreover, similar to Glistrup, Dich did not reflect upon how to protect the population through state powers but on how to protect it from state powers through market mechanisms. For example, to avoid resources being wasted in public services and to direct these services to the real needs of the population, he suggested introducing the public sector to competition-enhancing devices.
modelled on the market; deregulating some areas of the economy, such as the housing market; and introducing user fees for various public services. Still, in spite of these similarities, Dich's and Glistrup's solutions to the crisis of the welfare state differed with respect to political aims and measures. Dich's concern was societal equality, while Glistrup's concern was individual freedom. Moreover, while Glistrup sought to minimise and privatise the public sector, Dich presented an economic steering policy as the key remedy for preventing a further expansion of this sector. The responsibility for this policy was to be assigned to groups of independent economic experts and to a powerful troika composed of a budget minister, finance minister, and prime minister. Altogether, Dich positioned himself as a reformist, not as a revolutionary.

Due to its publication shortly before the Landslide Election, Dich's book nevertheless became widely associated with Glistrup's criticism of the welfare state. Moreover, Fremskridtspartiet enthusiastically embraced *Den herskende klasse* in its monthly magazine, *Fremskridt*, announcing that Dich's analysis was “in line with Fremskridtspartiet's assessment of the current chaos in society.”

In addition, several members of the party picked up and utilised the notion of the “the ruling class” as the prism through which they diagnosed and criticised the Danish welfare state. For example, elaborating upon the Marxist vocabulary in Dich’s book, Fremskridtspartiet interpreted the exploitation allegedly taking place in the Danish welfare state through a new class distinction, namely that between the ruling class, understood as those employed in the public administration, and the working class, understood as those working in the private sector.

Dich was deeply unhappy with how *Den herskende klasse* was read by the public and (mis)used by Mogens Glistrup and Fremskridtspartiet. Unintentionally, his book had become part of a broader discourse on welfare state criticism that merged notions with diverse origins and was utilised for very different political projects. Indeed, Glistrup’s political rhetoric itself was an example of the fusion of notions from different camps and origins that occurred in the early 1970s. While often hailed as a language innovator, many of the concepts he became associated with were already circulating in the public debate when he used them. One example is the term “skrankepave” (jack-in-office), which can be traced back to a 1970 campaign launched by the tabloid *Ekstra Bladet* against the growing bureaucracy in the public sector. Soon after, the Socialist People’s Party used this term in its pamphlet for the 1971 election. The party here pointed to two threats against democracy: the concentration of capital and power in the private major industries and the “public administration with all its expert rule and paper-pushing”. “Also here”, the programme stated, “a minority is making decisions that concern the wellbeing of the entire population. All too often, people here encounter the wall of the jacks-in-office. SF [The Socialist People’s Party] will unconditionally fight against expert rule and bureaucracy.”

However, “skrankepave” only became widely known in the political debate when Glistrup in his campaigning in 1972–1973 merged it with his many other pejorative terms in relation to the public sector. In this process, while tapping
Welfare state criticism as elite criticism

119

into the anti-authoritarian discourses articulated by the left, Glistrup linked
the term “skrankepave” to a distinctly non-leftist political agenda, namely the ambi-
tion to create a market economy free from government intervention. Moreover,
even if they became strongly associated with Glistrup’s agenda after the Land-
slide Election, parties across the political spectrum seized upon terms such as
“skrankepave” to position a whole variety of different agendas that converged
in criticising the public sector. A case in point is the Conservative Party. The
party had rejected Glistrup as a parliamentary candidate as late as 1971 – and
sought to distance itself from his agenda – but after the Landslide Election, it
nevertheless began to employ terms such as “skrankepave” and “papirvælde”.34

Belonging to a new generation of politicians emerging within Venstre in the
late 1960s and early 1970s, Bertel Haarder was directly inspired by Glistrup’s
critique of the welfare state. Next to Haarder, key members of this generation
included Henning Christophersen, Uffe Ellemann-Jensen, Peter Brixtofte, and
Anders Fogh Rasmussen, who were all academics with a social science back-
ground and who authored a veritable flood of books and articles on liberal
ideology and politics in the 1970s. The importance of these entrepreneurial
ideologists can hardly be overstated. They all became members of parliament
for Venstre and eventually also very prolific and powerful ministers.35 React-
ing against Venstre’s recent compromises with the welfare state and its long-
standing tradition of looking upon state and market as separate and antagonistic
spheres, they sought to address the contemporary crisis of the welfare state by
renewing the ideological foundation of their party. Locating the main source of
the crisis of the welfare state in its ever-growing, ineffective, and undemocratic
public sector, these politicians did not aim to dismantle this sector but to reduce
its size and change its contents along the lines of a “new” and more “construc-
tive” liberalism. This included introducing competition in public administra-
tion and service provision.

In very specific ways, Haarder’s prolific and provocative analysis of the wel-
fare state drew upon Mogens Glistrup and Jørgen Dich. Glistrup stirred him to
a renewed attack on the taxation system and to coin new and provocative terms
used for assessing the public sector and its employees. With the notion of the
ruling class, Dich provided him with a systematic and theoretical analysis of the
perceived problems of the welfare state.

With reference to Dich’s argument – and to economist John Kenneth
Galbraith’s theory that producer sovereignty and not consumer sovereignty
constitutes the key feature of industrial economies36 – in his first book Stat-
skolektivisme og spildproduktion [State Collectivism and Waste-Production]
(1973), Bertel Haarder argued that the public sector was run by a ruling class
and had achieved a monopolist position in the Danish welfare state. The result
was a political order in which public goods were forced down on individual
citizens (state collectivism) while being exempt from the competition and prof-
fitability characterising a market economy (waste-production).37

To solve the problems he identified within the public sector, Haarder ech-
oed arguments voiced by Venstre since the 1920s: the public sector had to be
reduced on behalf of the private sector. According to Haarder, less state and more market would result in increased efficiency and productivity and a more democratic society, allowing individual citizens to pursue their everyday activities without being subjected to an omnipresent and despotic state. However, in their attempts to counter the growth of the public sector, Haarder and the new generation of Venstre politicians formulated a new liberal agenda that in at least two ways broke with the sharp distinction between state and market having characterised the party’s ideology since the 1920s.

The first aspect involved a set of progressive visions that Venstre had co-opted from the societal critique launched by forces on the left since the mid-1960s. Venstre politicians thus wanted to create a society with the individual human at the centre and enhanced values such as “local democracy”, “participation”, “well-being”, “free choice”, and “decentralization”. Moreover, in the early 1970s, many politicians from Venstre criticized “blind” economic growth and voiced concerns about the environment and aspired to develop societies in Danish provinces and thereby counter the population being concentrated in the large cities. By linking its economic-political programme to such social-cultural aspects, which aimed to create a good life for all the citizens of the welfare state, Venstre confronted the purely economic and “de-culturalised” liberalism that the party had represented since the 1950s. Venstre’s progressive visions worked alongside the second new aspect of the party’s political ideology, which concerned a distinct break with the liberal tradition of looking upon state and market as two separate and antagonistic spheres. Along with accepting the state as an important economic actor in building modern liberal society, the party now aimed to regain control of the public sector and to limit its expenses, expansion, and power by subjecting it to market-like mechanisms. More concretely, as mentioned earlier, the aim was to introduce competition in public administration and service provision. This involved new ideas concerning the decentralisation of and free consumer choice in the public sector. In this endeavour, they positioned the consumer as the quintessence of the free, liberal, and responsible human being who needed to be placed at the centre of a new, more democratic, and efficient way of organising modern society. The idea to marketise the public sector by subjecting it to consumer demand was also the key theme of Haarder’s *Institutionernes tyranni* [The Tyranny of Institutions] that appeared in 1974 as a follow-up to *Statskollektivisme og spildproduktion*. In this book, Haarder wrote:

> The important thing is to liberalize the public as well as the private sector. . . .

> Similar to the private sector, the public sector must be subjected to the demands of the consumer, so that needs and expenses are kept in check.

While Haarder’s notion of welfare state reform through marketisation also differed from Glistrup’s privatisation agenda, his welfare state critique obviously strongly overlaps that of Glistrup. Tellingly, Haarder contributed to the first issues of *Fremskridt* with articles criticising public expenditure, and *Fremskridt*
printed Haarder’s *Institutionernes tyranni* in its entirety upon its publication in 1974. Moreover, Glistrup was deeply impressed by Haarder and sought to recruit him to stand as a candidate for his new party. Haarder declined since he did not like the materialist and anti-cultural attitude prevalent in Fremskridtspartiet. Soon after, in January 1975, he was elected member of parliament for Venstre.

However, many readers of Haarder’s books found that his politics were inseparable from those of Glistrup. For example, in a review of *Institutionernes tyranni* in Venstre’s journal *Liberal*, two members of the youth section within Haarder’s own party reproached him for, through his portrayal of politicians as people serving special interest groups rather than the common good, echoing Glistrup’s dangerous criticism of traditional political democracy as associated with parliamentarism. They also attacked the way in which Haarder contrasted the public sector with the market by depicting the public sector as ruled by selfinterested bureaucrats and the market as an arena securing what the state cannot produce: economic efficiency and individual freedom.

Arguing that his liberal visions combined ideals of freedom with ideals of equality, Haarder rejected the charge that he echoed Fremskridtspartiet’s agenda. Still, in the 1970s, when elite criticism became a dominant mode of welfare state criticism, it became increasingly difficult to distinguish political aims and agendas from each other in the Danish political debate. This difficulty was arguably related to the ideational convergence between the left and the right in the new focus on government flaws in debates on contemporary societal problems, as elaborated upon in the concluding remarks.

**Concluding remarks: government flaws and market promises**

The political knowledge regarding welfare state criticism as elite criticism arose in the arena of contemporary public-political debate consisting of debate books, political and scholarly journals, newspapers, and political parties’ manifestos, pamphlets, and election material. The actors, or proponents, of this political knowledge were charismatic politicians, scholars, and commentators who diagnosed and prescribed cures to what they saw as the problems of contemporary society. They did so through an imaginative discourse relying on catchy and provocative one-liners, slogans, and terms which claimed authority by merging arguments and examples drawn from the realms of politics, science, and everyday life. Stylising themselves as heretics vis-à-vis the established consensus concerning the welfare state, they shifted the perspective from the market to the state in identifying the obstacles for creating the good society and, in different ways, aspired to initiate market-related reforms.

In shifting the perspective from the market to the state in debating the obstacles for creating the good society, Danish political debate in the 1970s was not unique but in line with trends within the discipline of mainstream economics and with political debates taking place in other countries.
After a period in which the idea of the state as a collective decision-maker had been widely accepted, from the early 1950s onwards, economists from a large number of backgrounds started questioning the legitimacy and capability of government social planning for the common good. Particularly critical were exponents of the emergent public choice paradigm, who started studying the behaviour of political actors, such as voters, politicians, and bureaucrats, through the notion of the utility-maximising individual and who understood government as a political marketplace in which people are motivated by self-interest rather than ideas regarding the common good. According to public choice theory, unless kept in check, politicians and bureaucrats will create a government characterised by an inefficient allocation of resources through excessive spending and an uncontrollable growth of the public sector.45 One of the proponents of public choice theory was Anthony Downs, whose *An Economic Theory of Democracy* from 1957 became hugely influential in theorising government politics in and beyond the discipline of economics and providing a key source of inspiration for Jørgen Dich’s analysis of the welfare state in *Den herskende klasse*.

Likewise, in many countries, political forces on the right as well as on the left expressed a critical view on government administration in public debates. For example, in the United States, business groups, free-market think tanks, conservative politicians, and neoliberal economists such as Milton Friedman spearheaded the deregulation movement in the 1970s, arguing that it was necessary to dismantle the alliance of elites, composed of bureaucrats in government agencies and liberal experts, which was economically ripping off and disregarding the values of average Americans. But the movement also included consumer advocates and New Left intellectuals, who had been in favour of regulation but likewise began to argue that it was necessary to scale back inefficient and repressive federal agencies and self-interested corporate powers and to restore economic efficiency by deregulating the market and liberating the individual as consumer. In fact, even famous consumer advocate Ralph Nader emerged as an advocate for deregulation.46

In Denmark, no leftist economist or politician went as far as Ralph Nader. But welfare state criticism also linked together ideas from diverse ideological backgrounds. For example, Bertel Haarder’s marketisation agenda cited many different sources of inspiration, including Jørgen Dich, John Kenneth Galbraith, Milton Friedman, and Austrian-American social critic Ivan Illich.

Moreover, many leftist commentators started to focus on the welfare state in addressing the challenges involved in creating a society of economic, political, and social equality. Of course, they did not entirely forget their usual enemies, such as American imperialism and market capitalism, and welfare state criticism often went alongside criticism of the structural issues of capitalism and the inability of social welfare to solve the economic issues considered inherent to capitalism by Marxists. Yet, as previously mentioned, much of the anti-authoritarian critique emerging on the left from the mid-1960s onwards targeted the centralised state as a force exploiting the people economically and repressing individual freedom and ideals of autonomy, self-determination, and self-management.
In a short-term perspective, in Denmark and most other countries, the welfare state survived its crisis in the 1970s, insofar that no major political transformations or reforms took place. Still, welfare state criticism as elite criticism arguably had long-term effects on political thought and practices in many places. Hence, in a larger context, welfare state criticism as elite criticism formed part of what Daniel T. Rodgers has called the rise of the “Age of Fracture”, referring to an ideological convergence in respect to the ways in which scholars, intellectuals, and politicians from across the political spectrum interpreted societal phenomena from the late 1960s onwards. Here, on both the political right and the political left, earlier notions of history, society, and politics highlighting collective institutions, interdependence, and common solutions and social circumstances gave way to categories and perspectives highlighting society’s many different, and often incompatible, interests, as represented by the diverse preferences and desires held by autonomous groups or individuals. While the state started to be associated with government flaws and was understood as a site for the maximisation of individual interest rather than an arena devoted to the search of public interest societal debate, the market now appeared as a realm of freedom, choice, and efficiency.

Among other things, in the United Kingdom, the United States, and many countries in continental Europe and in Scandinavia, the Age of Fracture entailed a convergence between the so-called neoliberal and centre-left approaches to public administration that became manifest during the 1980s. This convergence responded to debates on the failed promises of the welfare state and to the questioning of the idea of the state as a legitimate social planner and collective decision-maker to which welfare state criticism as elite criticism had contributed significantly. In response, governments of all colours began pursuing political agendas aiming to promote individual responsibility and initiative, reduce patronage and guardianship, and secure economic efficiency and growth in the public sector by modelling it on the market and by empowering the citizen as its customer and captain.

Moreover, in many countries, political parties and interest groups have carried on, or relaunched, some of the more specific agendas outlined by welfare state critics in the 1970s. In a Danish context, the most famous example is Dansk Folkeparti (Danish People’s Party), which was founded in 1995 as a breakaway party from Fremskridtspartiet and continued Glistrup’s rhetoric of fighting for the interest of the Danish people against the political and cultural elites in control of government (along with his anti-immigration policies). Another example is the new libertarian party Liberal Alliance, which has revived Glistrup’s de-bureaucratisation agenda from the early 1970s. In line with this development, the director of the prominent free-market think tank CEPOS, Martin Ågerup, authored a foreword to a new edition of Jørgen Dich’s Den herskende klasse, which appeared in 2016, thus using the latter’s Marxist critique for CEPOS’s economically liberal agenda. However, left-wing commentators and politicians have also embraced Dich. For example, in his recent book Den lærde klasse [The Learned Class], Social Democratic
politician Kaare Dydvad Bek draws directly upon Den herskende klasse in arguing that a learned class in control of the government and dominating the public debate enforces an academisation of education and a centralisation of Danish politics and economy in the capital of Copenhagen to the disadvantage of the Danish workers and those living in the provinces.  

What all the cited examples have in common is the idea of the welfare state as an enterprise run by a new ruling class in control of the state apparatus against the interests of the majority of the population. This idea implies that challenges to the good society are located in the flaws of state institutions and the actions of people in charge of these rather than in capitalism. This is the most important legacy of the welfare state criticism as elite criticism that emerged in the 1970s.

Notes

1 This chapter draws on sections in chapter seven of Niklas Olsen, The Sovereign Consumer: A New Intellectual History of Neoliberalism (Cham: Palgrave Macmillan, 2018).
4 Klaus Petersen, “Velfærdsstaten i dansk politisk retorik”, Tidsskrift for Velferdsforskning 5, no. 1 (2002); Bo Lidegaard, A Short History of Denmark in the Twentieth Century (Copenhagen: Gyldendal, 2009), 233–239.
5 Venstre literally means “left”. The party was named Venstre due to its position on the left side in the Danish parliament when it was founded in 1870. It is today known as “Denmark’s Liberal Party”. However, Venstre in fact only added this description to its name in 1963, which is why the party is consequently labelled Venstre in the following.
6 Petersen, “Velfærdsstaten i dansk politisk retorik”, 22.
7 Ibid.
10 Petersen, Legitimität und Krise.
12 Obviously, elite criticism relies on elite theory. For the emergence and development of elite theory, see Jason Edwards, “Elite Theory”, in Encyclopedia of Political Thought, ed. M. Gibbons (Malden, MA: Wiley-Blackwell, 2018), 1012–1017, which defines elite theory as a notion stating that a minority of the population governs modern society and excludes the majority from political decision-making. However, none of the Danish critics of the welfare state drew upon or referred to the canon of elite theory that had been established since the rise of the so-called classical elite theory (Pareto, Mosca, Michels) in the early twentieth century and that by the 1960s had come to include the tradition of democratic elitism (Weber, Schumpeter) alongside a range of other works, authored by philosophers and sociologists (such as James Burnham and C. Wright Mills), which used the elite label to criticise the power structures of the welfare state.
14 Flemming Christian Nielsen, *Glistrup – en biografi om en anarkist* (Copenhagen: Gyldendal, 2013). The investigation into Glistrup’s economic conditions dragged on but resulted in Glistrup being sentenced in 1983 by the Supreme Court to three years in prison and a fine of 1,000,000 Danish kroner and the parliament finding him unfit to serve as a member. After serving his sentence, Glistrup was re-elected to parliament in 1987 but was soon outmanoeuvred by Pia Kjærsgaard in Fremskridtspartiet. He was expelled from the party in 1991.

15 While it has frequently been labelled the Social Liberal party, Det Radikale Venstre literally means The Radical Left. Inspired by French radicalism, the party was founded in 1905 and was located further to the political left compared to Venstre.


17 In fact, already in the 1960s, Glistrup attempted to be nominated as a parliamentary candidate for the established parties, and he had supported Peter Rindal in his protest against Statens Kunstfond and encouraged him to form a political party. Moreover, as late as 1971, the Conservative Party rejected Glistrup as a parliamentary candidate.


20 See the party journal *Fremskridt* 1, no. 8 (1975), front page, and the party’s first program *Fremskridtspartiet, Partiprogram (1973)*, 4.


27 Ibid., 135–136.

28 Ibid., 137–143.


33 Quoted from ibid., 243. See also Kuur Sørensen, “Den innovative ideolog i politisk historie”, 123–124.


35 Moreover, Christophersen, Ellemann-Jensen, and Fogh Rasmussen became chairs of the party, and the latter also became a very influential prime minister (2001–2009).

36 Galbraith did not, in fact, use the specific term “producer sovereignty”. Interpreters of Galbraith coined it to conceptualise his argument of how producers, and not consumers,

37 Bertel Haarder, *Statskollektivisme og spildproduktion – om årsagerne til overforbrug, skatteplyndringen, institutionernes tyranni og det tiltagende misbrug af vores ressourcer* (Copenhagen: Bramsen & Hjort, 1973). Haarder’s book appeared before *Den Herskende Klasse*; however, Haarder was familiar with the notion of the ruling class from Dich’s contemporary talks.

38 Køber, *Et sprogsmål om nærhed*.


