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EUROPE AND THE SWEDISH ELECTION OF SEPTEMBER 19th 2010[1]

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Key Points:

- In the election of September 2010, Swedish voters managed to produce a result that left approximately 94.3% of them somewhere between frustrated, embarrassed, aghast and bitterly disappointed.
- An incumbent centre-right government was re-elected for the very first time. But the four-party coalition lost its parliamentary majority.
- The left-of-centre opposition went collectively backwards.
- Some municipal and regional authorities were left with red faces after the close result exposed carelessness in their counting of the votes.
- For many Swedes, worst of all was that a far-right party made a long-anticipated breakthrough into parliament - and secured a potentially influential strategic position there. The 5.7% who backed that party were the only really happy ones.

Background

For maybe seven decades, the Social Democrats dominated Swedish politics. The party's intimate relationship with the blue-collar trade-union confederation gave it a huge advantage in mobilising its core constituency. At the same time, the Social Democrats' appeal extended into the middle classes, who liked generous, income-related social-insurance schemes, plus extensive public services. Perhaps as important as anything, decades of impressive economic growth contributed to a Social Democratic reputation for steady macroeconomic management. The party thus straddled the median position in parliament and in the electorate, sure of the (ex-) Communists' passive support on the left, but quite capable of dealing with the parties of the centre-right, too, when it suited.

[1] In this briefing, I follow the editors' guidelines and eschew academic references. Anyone wanting a more precise source for a particular reference is welcome to contact me.

The 2006 election marked a major turn in Swedish party politics.[2] It was facilitated by two instances of profound party-change. First, the Centre Party, with its agrarian roots and history of deals with the Social Democrats, opted to commit itself firmly to the right bloc. Still more importantly, the main conservative party, the Moderates, decided to reconcile itself to the core components of the welfare state. With echoes from parties in American and Britain, they restyled themselves as the "new Moderates". The result was the "Alliance for Sweden", created in 2004, in which the Centre and the Moderates joined the Liberals and the Christian Democrats in a pre-electoral coalition with a common election platform. After the 2006 election, the Alliance formed Sweden's first majority government since 1981. Fredrik Reinfeldt, the Moderates' leader, became the first non-Social-Democratic prime minister for 16 years.

The Alliance government got off to a dreadful start, with unpaid taxes prompting two immediate ministerial resignations. More seriously, the new government picked a quick and bitter fight with the trade unions over ending the tax-exempt status of their membership fees and the level of premiums payable to the various unemployment-insurance funds, which the unions control. Tighter restrictions were placed on social security eligibility, especially for sick leave. An early reform of the property tax system left already well-off home owners even better off. The wealth tax was abolished. The government's poll rating sank through the floor. Yet its bad start may have had a silver lining. One Swedish political scientist, who is also a Social Democrat, has argued that his party's quick recovery in public opinion persuaded many within it that no further self-analysis would be needed to win back power in 2010.

As it was, the new government's fortunes began slowly to improve. Central to its policy agenda were tax cuts. These had always been the prime demand of the old Moderates; but the Alliance's tax cuts were targeted in innovative ways. Its flagship policy was an earned-income tax credit, extended in four steps. The credit offered proportionately large rises in disposal income for lower paid groups, which allowed the government to burnish its egalitarian credentials. Far more significant was the policy's role in implementing what had been by far the Alliance's most important election promise: to promote jobs. During the 2006 campaign, the Moderates had provocatively called themselves as Sweden's "new workers' party", and many Social Democrats subsequently acknowledged that they had been caught on the hop by the centre-right's strategy. The earned-income tax credit was designed, above all, to increase the income differential between those with jobs and those without. That, it was hoped, would sharpen the incentives to take work rather than social security benefits. Other tax reforms were to apply to the demand side of the labour market rather than the supply side. Further substantial tax credits were given for hiring contractors to renovate privately owned property and - more controversially - to assist with household tasks like cleaning and child minding.

Despite these various tax cuts, the state's coffers remained in surplus, thanks not least to the previous Social Democratic government's iron grip on the public finances. Criticisms of the Moderate finance minister, Anders Borg, for his excessive fiscal caution were growing louder - right up to the global financial crisis in autumn 2008. Sweden was badly hit by the downturn that followed. The country's economy shrank by over 5% in 2009, the most severe contraction since the 1930s. Yet, partly thanks to the cash that the government could afford to disburse, recovery was rapid. Indeed, even though unemployment was higher in 2010 than it had been in 2006, the government's reputation for macroeconomic management was actually enhanced

[2] See: Niklas Bolin and Nicholas Aylott, 'The Swedish Parliamentary Election of September 2006', *European Parties Elections and Referendums Network Election Briefing No 30* at http://www.sussex.ac.uk/sei/documents/epern-eb-sweden06final.pdf.

during its term. Being generally perceived to have had a good crisis was a vital success for the Alliance.

Meanwhile, in opposition, the parties of the left made two fateful decisions. The first was the Social Democrats' selection in spring 2007 of Mona Sahlin as their new leader, the first woman to hold the position. For Sahlin, her ascent marked quite a comeback. She had seemed set to win the party leadership over a decade previously, but her candidacy had been derailed at the last moment by disclosures about her chaotic personal and household finances, including the careless use of a ministerial credit card.

The second decision was largely Sahlin's own initiative. Her years in relatively minor ministerial positions since her fall from grace had given little indication about her ideological preferences, beyond a strong engagement in minority rights. But she soon signalled a strategic conviction. During 1998-2006, the Social Democrats had run minority governments, but had struck deals that secured stable support from the Left Party and the Greens. Now, Sahlin argued that the three opposition parties needed to take the next step and emulate the sort of programmatic co-ordination displayed not only by the Alliance, but also - and perhaps just as relevantly - by the three parties of the left in Norway, which had won the 2005 election there.

Sahlin achieved her alliance, but only after a very awkward start. In October 2008 the Social Democrats and the Greens announced that they could not agree with the Left on fiscal policy, and that the Left would thus be excluded from their nascent alliance. Within a few days, however, after uproar within the labour movement, Sahlin back-tracked and reopened the door to the Left. Her authority was undercut, and her party's opinion-poll figures began to decline.

Table 1: The Swedish party system before the 2010 election

			parties				
Left Party	Social Democrats	Greens		Centre Party	Liberals	Christian Democrats	Moderates
the Red-Greens				the Alliance			
			pre-electoral coalitions				

In the 2010 campaign, then, Swedes were left with a clearer choice between two coherent alternative government constellations than they had ever had before (See Table 1). The rise of "bloc politics" in Scandinavia and other European countries is an intriguing development.

The Campaign

Arguably, the election campaign began with the shadow budget that the three opposition parties presented in March. At this stage, the Red-Greens, as they and the media had called their pre-electoral coalition, had worked up a healthy lead in the polls. But the shadow budget proved to be a second turning point in public opinion. The Red-Greens actually accepted all but the last of the government's earned-income tax-credit increments, which was a real concession by the Left

in particular. Yet the Left got its way on another tax credit: that for household services, which the Red-Greens pledged to abolish. The opposition also promised to revive the wealth tax, and to reform - again - the property tax system. Moreover, these pledges remained vague (for instance, about whether property would count as taxable wealth), which left sections of the electorate, especially in the bigger cities, uncertain about what a Red-Green government would mean for their tax bills. The governing coalition's support began to creep up again, and, by the end of the summer, it was ahead of the opposition.

The rest of the campaign was fairly uneventful, in that it lacked the sort of scandals that had buffeted the campaigns in 2002 and 2006. There were a few twists, though.

As campaigning began in earnest, the elderly looked set for a good election. The Alliance seemed to accept that pensioners had been irked by the earned income credit, and promised to prioritise tax cuts for them. Doubtless seeking to exploit an Alliance weakness, Sahlin suddenly pledged big tax cuts for pensioners. However, as commentators subsequently noted, her gambit served to focus the campaign on tax levels - territory on which the centre-right was pretty comfortable. Having promised such bounty for one particular group, the Red-Greens also had a harder time posing as defenders of the universal welfare state against a recklessly tax-cutting government. The government's lead in the polls began to stretch, and whispers of Social Democratic discontent at Sahlin's leadership began to surface in the media. A change of government now looked very unlikely.

When, quite late in the campaign, the two blocs' manifestos were published, neither contained surprises; certainly, the Red-Greens' did not arrest their slide in the polls. In retrospect, however, the Red-Green nadir was probably reached about ten days before election day. At that point, a poll showed the far-right Sweden Democrats crossing the 4% threshold for parliamentary representation with unexpected ease. After long being aware of the possibility of the Sweden Democrats entering parliament, the mainstream parties and media seemed jolted by the prospect of it really happening. The issue moved to centre stage in the campaign.

Meanwhile, the Red-Greens belatedly reverted to a clearer campaign message, in which they attacked the heartlessness of the government's reforms of social security and promised to return to more generous practices. Individual cases of harsh treatment, such as chronically ill people deprived of their benefits and forced to seek work, found their way onto the front pages. In the final televised debate between all seven mainstream party leaders, the three Red-Greens each exploited his or her chance to put a direct question to the prime minister by referring to just such a case. At the same time, veteran Social Democrats were wheeled to the front of their party's campaign, where they used the sort of attacks on, above all, the Moderates that had worked in previous eras. In a joint newspaper article, several of the party's grand old people urged the movement to rally round Sahlin, and she ended the campaign with something of the wind in her sails. Her speech to the Social Democrats' election night vigil sounded oddly upbeat - even as she bluntly acknowledged the awfulness of the result for her party.

Results

There are various ways to describe how awful the Social Democrats' performance was. The party's score in 2006 had been its worst for 70 years, yet – as Table 2 shows - it lost close to another 5% of the vote in 2010, its worst tally since 1914. The Alliance actually increased its share of the vote. Having been out of government for only just over nine years between 1936

and 2006, the Social Democrats will now almost certainly be in opposition for eight in a row. An incumbent centre-right prime minister retained office after and election for the first time.

Yet the Alliance parties were far from elated. One reason was that three of them lost votes, and fell worryingly closer to the 4% threshold. Even the fourth Alliance party, the Moderates, the prime minister's party, had thoroughly mixed feelings on election night. They secured their best result ever, and came within a whisker - 0.6%, or fewer than 36,000 votes - of displacing the Social Democrats as Sweden's largest party. But all that was overshadowed by the loss of the Alliance's parliamentary majority. And that, in turn, was caused by the story of the election: the Sweden Democrats' breakthrough. The far-right party not only won 20 seats; it also managed to secure a strategically powerful parliamentary position.

Table 2: Elections to the Swedish parliament, September 2010

	2010		2006	
	seats	votes %	seats	votes %
Left Party	19	5.6	22	5.9
Social Democrats	112	30.1	130	35.0
Greens	25	7.3	19	5.2
Red-Greens total	*156*	*43.6*	*171*	*46.1*
Centre Party	23	6.6	29	7.9
Liberals	24	7.1	28	7.5
Christian Democrats	19	5.6	24	6.6
Moderates	107	30.1	97	26.2
Alliance total	*173*	*49.3*	*178*	*48.2*
Sweden Democrats	20	5.7	0	2.9
Others	0	1.4	0	2.75
Total/Turnout	349	84.6	349	82.0

Note: Due to rounding, percentages do not add to 100.
Source: Election Authority website (val.se), accessed October 2010.

The pain was heightened for the Alliance by the agonisingly small margin - just two parliamentary seats - by which it missed its target. There was also the drama of the count. Although the exit polls had forecast the final result quite accurately, the first election-night prognosis based on actual votes had the Alliance on exactly 175 seats, the minimum required for a majority. But wild celebrations at the Alliance's elections vigils were cut down by fuller predictions just minutes later. Even then, votes submitted prior to polling day or by post from abroad - collectively, around a third of the total, a record high - were not fully counted until mid-week, and there was real hope that these "Wednesday votes" might yet bring the Alliance what it needed. But they did not. In the end, around 700 extra votes in the right electoral districts would have done the trick. The close result exposed some shoddy handling of votes in some municipalities, which added to the Alliance's frustration and briefly raised the possibility of local re-runs of the election.

As expected, no opposition party moved a motion of no confidence in the "Reinfeldt II" cabinet when parliament reopened. (For the last time until a constitutional change takes effect, no parliamentary vote of investiture was required for a government staying in office after an election.) Minority governments are nothing new for Sweden. But the capacity of this one remains to be seen.

Conclusions and Prospects

There is much that could be discussed in light of the 2010 election. One topic is the amazing transformation of the Moderates, who again styled themselves in the campaign as a "workers party" (in fact, "Sweden's only workers party") and whose leaders, fascinatingly, have described their ambition to become (loosely translated) the "natural party of government". Another is the relationships between the Alliance parties, as its three junior members begin to fear being fatally overshadowed by the Moderates. A third is the Greens' best-ever result. A fourth is the proportion of women among MPs. Partly thanks to the Sweden Democrats' arrival, this figure fell in 2010, but only slightly, to a still impressive 45%. One more issue was a finding in the Swedish Television exit poll. Intriguingly, it indicated that voters' confidence in Swedish politicians shot up in 2010, to 70%; election turnout also went up. For reasons of space, however, this section concentrates on three other big questions:

The success of the Sweden Democrats. Quite apart from the parliamentary uncertainty that it caused, this was a huge shock for many. A relatively generous asylum policy has led to Sweden becoming much more diverse in the space of only a couple of decades. Yet not a few Swedes took pride in the fact that, despite this big change, and unlike most other European countries, theirs lacked a radical-right populist party that sought to exploit ethnic tensions for its own advantage. The arrival of the Sweden Democrats changed all that. (Indeed, some Danes and Norwegians have long found their Swedish neighbours' self-righteousness on this point somewhat grating. The election induced a hint of *Schadenfreude* from commentators elsewhere in Scandinavia.)

Moreover, the Sweden Democrats are not the sort of electoral populists who latched onto immigration and integration instrumentally, as vote-winning issues. Rather, the party has its origins in unequivocally racist organisations. The Sweden Democrats are much more comparable with the French National Front or the British National Party than with, say, the Norwegian Progress Party. Only in recent years has the party, which was formed in 1988, found a leader, Jimmie Åkesson, with the sort of manner that could bring the party towards the mainstream. The Sweden Democrats projected a "romantic nationalist" profile. According to the exit poll, they took votes from all the mainstream parties, but most from the two biggest ones. Nearly half of the party's supporters placed themselves on the right, but nearly a fifth put themselves on the left. It wanted to reduce immigration drastically and, among other things, to take Sweden out of the EU; but its leadership, at least, rejected accusations that it remained racist. A visit by Pia Kjærsgaard, the leader of the Danish People's Party, to one of its election rallies was a surprising but significant indication of that shift away from the fringe.

Political scientists have persuasively argued that the Sweden Democrats' breakthrough was much more down to supply-side factors, such as the party's steadily expanding and solidifying organisation, that to any general rise in scepticism about immigration among Swedish voters (actually, surveys suggest the opposite trend). Still, the party could hardly have won parliamentary seats without exploiting a degree of such scepticism in pockets of the electorate. The question for the other parties is what they should do about it.

The preference on the left is to try to rally the emotions that manifested themselves after the election in near-spontaneous demonstrations against racism. (Such emotions were visible before the election, too, although far-left groups' obstruction of some Sweden Democrat meetings was probably a propaganda gift to the party.) In particular, the immediate call was to reject the Sweden Democrats' "depiction of reality" - often a coded reference to the influence that the Danish People's Party has achieved in setting the tone and content of debate in Denmark. A Danish scenario is widely regarded in Sweden with dread.

Such a strategy will surely galvanise the left-of-centre parties' activists, but it may be less likely to hinder the Sweden Democrats' consolidation in Swedish politics. The public debate about immigration and integration is remarkably stilted in Sweden. Problems associated with immigrant-dominated suburbs of the bigger Swedish towns and cities, such as crime, violence and social exclusion, are discussed in very general terms. The persistent civil disorder in a few of these suburbs rarely draws direct comment from mainstream politicians when it breaks out. Tighter asylum rules in the last few years have been the result of bureaucratic decisions, not political ones. There is no newspaper that vents fears about immigration in the way that some in Denmark and perhaps Germany do, never mind those in Britain. Rather, the Swedish media contorts itself, sometimes almost comically, to avoid suggesting an ethnic element to any negative story.

The danger is that the determination not to let immigration or immigrants be bought into disrepute actually translates, in practice, into a continuing reluctance to talk openly about such issues, and an implicit denial of any connection between immigration and social problems. That, in turn, leaves an open goal for the Sweden Democrats. Their analysis is even more one-sided, but it may nevertheless strike some voters as more realistic.

The parliamentary situation. The Sweden Democrats' untouchable status seemed certain to cause difficulties here. After the election, various schemes were floated for marginalising them. One solution would have been to dissolve the blocs and for the two biggest parties to govern together. But enduring fundamental differences between Social Democrats and Moderates, in mentality as much as in substantive policy, still make such a grand coalition unthinkable. Another simple option was for the Greens to have become a fifth coalition partner. But that was never likely to appeal either to the Alliance parties or to the Greens: the policy differences between them were too significant, and their investment in their respective blocs would have been hard to write off so abruptly. Other ideas for enforcing a really tight *cordon sanitaire* around the Sweden Democrats also seemed far-fetched, as they would have required the Red-Greens to accept voluntarily an artificial government majority. There was talk of reducing the size of the parliamentary standing committees to keep the Sweden Democrats off them, but it came to nothing.

Still, the images of parliamentary "chaos" conjured by some newspapers were also unlikely to be realised. A government's budget proposal these days can only be toppled by an alternative package with more parliamentary support, which would require, implausibly, the Red-Greens to produce one jointly with the Sweden Democrats. An early election was also unlikely, given the danger that the far right would do even better. Instead, four years of timid minority government was the likeliest outcome. After the election, the Greens and Social Democrats hinted that they might be open to dealing with the government on specific policy issues, such as immigration policy and Swedish forces' involvement in Afghanistan, to keep those areas off-limits to the Sweden Democrats.

Yet the parliamentary situation remains unpredictable. The temptation for each bloc will not so much be to collaborate with the Sweden Democrats, but rather to try to push the other bloc into doing so. The Red-Greens' behaviour over parliament's choice of speaker was an immediate illustration of exactly this temptation. (In the event, the absence or defection of three Red-Green MPs saw the Moderate candidate re-elected without his needing the Sweden's Democrats' support.) And what would happen if a bill submitted by one or other bloc attracts the unsolicited but nevertheless decisive support of the Sweden Democrats? Presumably, the "winning" bloc would not withdraw its bill just because of that. But it would be an embarrassing moment - particularly for the Red-Greens, who pledged repeatedly and emphatically to avoid touching the far right even "with tongs".

Challenges facing the Social Democrats. Handling the Sweden Democrats was only one headache for what was so long Sweden's dominant party. In the short term, there was an obvious question mark against the party leadership. Sahlin's poll ratings as a potential prime minister were consistently far behind Reinfeldt's during the previous parliament (although, to put that in some perspective, the significance of his personal popularity among his own party's voters was the highest ever registered by the Swedish Television exit poll). But there is a tradition in the party of loyalty to a sitting leader. She may yet survive a special party congress early in 2011, at which the leadership will come up for discussion.

Yet some big mistakes were made on her watch. With hindsight, Sahlin should surely have stood aside from any pre-electoral coalition rather than be pushed into one that included the Left Party. Essentially, the Left remains more committed to its own policy purity than to office seeking. According to one polling firm, two-thirds of voters would never consider voting for it, a far higher figure than for any other party (not counting the Sweden Democrats). Although it did make compromises with its two alliance partners, it often pushed those compromises to their limits. During the campaign, the Left cheerfully emphasised those areas of policy - income tax, the wealth tax, public sector contracting out to private providers, testing in schools, individualised and non-transferable parental leave - on which the Red-Greens were least agreed, and which were most unsettling for middle-class voters, especially in the bigger cities. As the Social Democrats' inquest into their defeat in 2006 had concluded, these were precisely the voters whom they had to recover. In 2010, the prospect of letting the Left Party into government scared these voters even further away. It would be a surprise if the Red-Greens' current relationship is not wound down.

The deeper problem for the party, though, is a lack of innovation. Its long-established practices seem these days to have an in-built conservative bias. After the Social Democrats' defeat in 2006, Sahlin was designated as their new leader without her presenting any sort of ideological platform or agenda. The selection process thus stifled the debate about the party's direction that competing leadership candidates might have driven. She soon launched a series of internal commissions to review policy, but their conclusions were swamped by the initiation of negotiations on joint Red-Green positions. Losing the argument about job creation had been a historic failure for the party in 2006. Yet the Red-Greens turned out to have few new ideas on labour-market policy in 2010, and the issue faded from the campaign. Indeed, voters' top three issues in 2010 - schools, jobs and the economy generally - were all "owned" by the centre-right. Sahlin's first step after the Social Democrats' defeat was to announce yet another commission to investigate its causes.

And finally…European issues

Of course, most policy areas now have some European component. But the European Union was almost unmentioned during the campaign. The Liberals did have a poster that advertised their support for another referendum on whether Sweden should adopt the euro; the vote in 2003 had firmly rejected the proposal to join monetary union. But that was about it.

Partly, this was about bloc politics. The situation on the left resembled that in Norway, where most in the Labour Party would like to join the EU as soon as possible, except that the party's two coalition partners are firmly against. The result is, to a large degree, silence on Europe. Since 2008, the Swedish Greens have no longer been officially in favour of Sweden's departure from the Union, but the Left Party retains that hardline position, and many Social Democrats remain very concerned about the impact of the European Court's *Laval* judgment on the Swedish system of collective bargaining. In fact, an agreement on European policy was reached between the three Red-Green parties, but the divergence of views between them clearly made it something that they preferred not to dwell on.

On the right, meanwhile, there was a narrower range of opinion on European integration. Even the Centre Party, which was against the euro in 2003, might change its position if a new referendum were held during the coming parliament. But there will not be any new referendum. A big deterioration in the relative performance of the Swedish economy vis-à-vis that of the euro zone would probably have to occur before the Moderates, in particular, would think that a vote on joining monetary union would be worth the political capital that they would need to expend on it. By 2010, the crisis in the Greek economy, and the problems it caused for the eurozone countries, created precisely the opposite situation.

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This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at http://www.sussex.ac.uk/sei/1-4-2.html.