

THE EXTRAORDINARY ELECTION IN SWEDEN

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Something absolutely sensational happened in Swedish politics last week. The prime minister, Stefan Löfven, in office for just a couple of months, opted to call a snap election for March 22nd next year. This is the first unscheduled election in Sweden for over a half a century (and the first to be held in spring for over a century).

Isn't Sweden supposed to be the country of rational discussion and compromise solutions? How can a new election have been called just ten weeks after the previous one?

The situation is complex and thus not easy to explain. (Indeed, I had assured everyone who asked that there would not be any new election, which leaves me now with egg on my face. Mind you, almost everyone else got it wrong, too.) I will try, however, to describe briefly what unfolded and why. Then I will relate it to the coming election in Britain.

BACKGROUND

There are eight parties represented in the Swedish parliament. The three most important actors in this drama are the Social Democrats, the Alliance and the Sweden Democrats.

- *The Social Democrats*. For many, many years, they were Sweden's dominant party and usually in government. Their vote has declined since the late 1990s, but they got back into office after the election last September. They did so in coalition with the Greens, who, by contrast, were making their debut in government. Löfven, the Social Democratic leader, became prime minister.

However, the coalition was well short of commanding a parliamentary majority. Between them, the Social Democrats and the Greens had just 39 per cent of the seats in parliament. This meant that they were always going to need agreements with opposition parties to get their preferred policies - above all, their budget - into law. The new government quickly agreed on a budget package with the Left Party, but that still didn't get it a majority. They three parties' seats amounted to only 45 per cent of the total.

- *The Alliance*. This is a collection of four centre-right parties. Together, they were in government from 2006 until the election last September, in which they won 41 per cent of the seats in parliament. That was less than the combined total of the Social Democrats, the Greens and the Left Party, which is why the Alliance government made way.

- *The Sweden Democrats (SD)*. This party won 14 per cent of the seats in September, a historic advance. It is hard to overstate how much this party is loathed by all the others, however. The reasons are simple. Partly it is because SD is the only party that opposes Sweden's (relatively speaking) very generous immigration and asylum policy. On top of that, unequivocal racists are frequently revealed among their membership.

Although SD is much more moderate than it used to be, it is entirely isolated by all the others in parliament. No one will talk to it, let alone co-operate with it.

THE BUDGET

This was the issue that brought down the government.

As we saw, Löfven's minority coalition was clearly living precariously. Still, even if the Alliance kept to its longstanding pledge to submit to parliament and vote for its own shadow budget, the government, with the Left Party onside, had more parliamentary seats than the Alliance. So it should normally have been able to get its budget through.

SD threatened to throw a huge spanner in these works. Its own budget package was obviously going nowhere, because no other party would back it. If it had followed Swedish parliamentary convention, SD would then have abstained in subsequent votes on other parties' packages. But the party threatened to break this convention, and back the Alliance's budget - which would give it a parliamentary majority. If the Alliance budget went through, Löfven's government would then, in principle, have to implement an opposition economic policy.

Tension mounted as the budget votes approached.

HOW THEY MIGHT HAVE REASONED

- *Social Democrats*. On paper, Löfven had several several options if he lost the vote. Governing according to an opposition budget was one. In practice, though, that would have been intolerable for any prime minister. Why bother to take the flak of being in office if your opponents can tell you how much to tax and spend?

More realistically, he could have tendered his government's resignation. The speaker of parliament would then have tried to find an alternative prime minister. In the absence of any other serious contenders, he would surely have gone back to Löfven - who could then have formed a new government, perhaps without the Greens. Yes, this would have been a government resting on an even smaller share of the seats in parliament. But, minus the Greens, whose first weeks in government had been somewhat chaotic, deals might more easily be reached with the Alliance parties. Various media commentators were keen on this scenario.

Löfven also had the power to call a new election, but there were good reasons why people like me thought that he wouldn't. For a start, there was little to suggest that it would change much in the distribution of parliamentary seats. The Social Democrats, the Greens and Left Party, each of which had ended up with a rather disappointing result in September, might just as easily do worse rather than better in any new poll. SD might do even better than previously. And then there were the costs involved in a new campaign, both financial and psychological.

Of course, then, Löfven's preferred option was not to lose the vote. But how? Simple: he wanted to do deals with Alliance parties. If at least a couple of them would agree to wave his budget through (obviously in return for policy concessions), he'd be in the clear. And if agreement was made with just two or three of them, the Alliance, as a glorious bonus for Löfven, would have been split.

- *SD*. The party's main goal is to change Sweden's immigration policy. There are two broad ways in which it might hope to achieve that.

One way might be to persuade the Alliance to reach an understanding with SD. To that end, abiding by parliamentary convention and abstaining in the decisive budget vote (albeit after making the government sweat for a while) might well have been a good idea. It could have been a step towards establishing SD as a more normal party, open to co-operation with others. If the party leader had been in charge of the process, it's possible that SD would have taken precisely that conciliatory step.

But the party leader was not in charge. Soon after the September election, he had succumbed to stress and exhaustion and had gone on sick leave. If the stand-in leader had any ambitions at all to take over long-term, which he almost certainly did, then it would have made sense for him to follow the immediate preferences of the party's members and supporters. They apparently wanted the party to sabotage everything it could.

True, a new election would not be without risk for SD. They might not be thanked by the voters for causing it. Still, SD, like everyone else, probably assumed that it wouldn't come to that. If it could force Löfven to resign and form a new government, that would be a big prize for SD none the less - especially if it forced its *bête noir*, the Greens, out of office. And if it could force the Alliance to back down and save the government, SD could then pose as the only genuine opposition - a thoroughly comfortable position for a party of its type.

- *The Alliance*. I kept telling anyone who would listen that if SD didn't back down, and did in fact vote for the Alliance's budget, then the Alliance would find some pretext for making sure that its own budget, which it had promised before the election to submit to parliament, did not win.

There seemed to me little reason why the Alliance should bring down the government. There was no realistic way for it to take over government with the current distribution of parliamentary forces. Anyway, it was great for the Alliance to see a Social Democratic prime minister floundering, as his travails gnawed at possibly his party's greatest historic asset - its public reputation for steady, competent government. So why not just let the Social Democrats get on with it?

What's more, the biggest Alliance party was in the middle of choosing a new leader. The smallest one, meanwhile, has fallen closer and closer to losing all its parliamentary seats in each recent election. A new election would present another demanding test of its ability to keep them.

WHAT ACTUALLY HAPPENED?

Among the events that were publicly observable, there were perhaps four decisive ones.

- The weekend before December 3rd, when the budget vote was due, the government began to hint that it would put it off. A Social Democratic minister sounded confident that the government's package could be sent back to the parliamentary finance committee for further discussion.

This amounted to an invitation to SD to make good its threat to vote for the Alliance budget, or at least to say that it would if the vote was held. SD would gain little by blinking at that point if the other players were playing for time. However, I also suspected that this would be the occasion for the Alliance, having seen the government squirm quite a bit, to find that pretext for allowing Löfven to scrape his budget through.

- The day before the vote, SD duly pledged to vote for the Alliance budget. (Indeed, the stand-in leader belligerently declared his intention to vote against any government's budget if it did not contain cuts in spending on immigration policies.)

- On the morning of the vote, the government let it be known that it would not after all send its budget bill back to committee. To me, that was a big surprise. It suggested that the government was consciously marching towards defeat in the vote. That proved to be the case a few hours later.

- Most observers, including me, were still expecting Löfven to tender his government's resignation and to try to form a new government. But he did not. He announced the new election.

WHY?

Just because all the players in a certain situation share a preference for avoiding something, they may nevertheless fail to avoid it. Basic game theory tells us that. Yet I based my prognosis on "common sense", and it turned out wrong. Partly with reference to information and claims that have subsequently come to light, we can perhaps venture some possible explanations for why things turned out as they did.

- *SD's* decisions are easiest to understand. A party with the wind in its sails, and an ambitious caretaker at the helm, was given no incentive by the other parties to back down at any stage.

- As for the *Social Democrats*, commentators expected Löfven to resign and take the chance to ditch the Greens from his government. The Greens had indeed been thoroughly unhelpful coalition partners. But I thought that this paid too little attention to parliamentary arithmetic.

Dumping the Greens so quickly would have humiliated them and thoroughly poisoned their relations with the Social Democrats. Without the Greens' support, Löfven would, in practice, have had to do deals with all four Alliance parties - which, of course, had far more more seats than the

Social Democrats alone - in order to construct a parliamentary majority for anything. Far from splitting the Alliance, alienating the Greens would thus have cemented it.

Given this, Löfven presumably decided that he had little to lose from another throw of the electoral dice, and perhaps something significant to gain, even if it produced only a small change in the balance of forces.

- *The Alliance's* reasoning is hardest to discern. There are several ways of thinking about its actions.

* (1) Some say that the Alliance was retaliating for Löfven's leftward turn after taking office. I don't buy this. Actually, by promising to submit its own budget come what may, the Alliance had given Löfven little option but to secure the Left Party's support for his government's own budget, which inevitably involved making concessions to that party.

* (2) Some observers see a long-term project to damage the Social Democrats' reputation as a safe pair of governing hands, which they were determined to pursue at any price. I was initially quite taken by this suggestion; I am less so now. The shorter-term risks for the Alliance in inducing a new election were too great to make such a destructive strategy, on its own, a satisfying explanation of what occurred.

* (3) It is possible that the Alliance miscalculated. It wanted to make the government look incapable and chaotic, but pushed its strategy a bit too far.

Löfven said later that the night before the budget vote, and after SD had announced its voting intentions, he had offered the Alliance parties a pretty much unconditional renegotiation of the government's budget. Their blank rejection was what had persuaded the government that there was no point in delaying the vote.

The Alliance must have expected that. It may also have expected Löfven then to resign as prime minister and try to reform a government, at which point the Alliance, having fulfilled its pledge to vote for its own budget, would finally agree to parley with Löfven. By calling the election, then, he called the Alliance's bluff.

I was initially convinced that a miscalculation like this had occurred. On reflection, though, it can't be the whole story. At the very least, the Alliance must have known that there was a reasonable risk that, pushed so far into a corner, Löfven might take the nuclear option.

* (4) What I felt was lacking in the previous interpretations, and in most accounts of the Alliance's behaviour, was its plan for dealing with a parliamentary situation in which neither it nor the left-of-centre trio had a majority - a scenario that looks like being a long-term fact in Swedish politics.

I could see only two ways of dealing with this fact. Either the Alliance could hold its nose and reach an understanding with SD - a development that, to put it very mildly, would involve huge

political risks. Or the parties of the right and left would have to do deals with each other, perhaps even in some sort of German-style grand coalition, and sideline SD that way.

The Alliance, it now seems, sees a third way forward. Instead of broad cross-bloc coalitions, it wants to tweak the rules of the parliamentary game (for things like the selection of a prime minister and passing a budget) so that the biggest of the potential government constellations can govern in a more or less stable fashion, *even if it lacks a majority*. The four Alliance leaders made that clear in a newspaper article a week after the election was called.

Whether or not you think it's realistic or democratically defensible, the Alliance's government-by-largest-minority strategy certainly constitutes a plan. It also amounts to an expression of the Alliance's political self-interest; and the essential component of that self-interest is survival.

Löfven's desire to create and lead a broad coalition, encompassing the Greens and a couple of the smaller Alliance parties, serves the Social Democrats' long-term interest. It would put the party firmly back in the centre of the Swedish party system, exercising a centripetal attraction to much smaller parties on each of its flanks.

The long-term interest of the Alliance - particularly that of its biggest party, but also of its smaller ones - is that this doesn't happen. It wants instead to make sure that Swedish politics remains a battle between a right bloc and a left bloc, because that is a battle the Alliance can probably win quite often. It is, after all, a contest between a stable, ideologically compact right against an unstable, ideologically stretched left.

Such a strategy could explain the intransigence shown by the Alliance leaders in the days before the fateful budget vote. Their short-term goal was to keep the Alliance together - and to signal to the world their determination to do so. Hence their insistence on fulfilling their promise to submit their own budget; any retreat from that position might have left each of them tempted by deals with the government. Their longer-term goal was to change the rules of the game to make attaining the first goal easier. If future Alliance governments were viable, even if they were minority ones, then the temptation for each Alliance party to defect would be much smaller.

In other words, Sweden's budget bombshell is part of a struggle for the orientation of the Swedish party system. In this struggle, the Alliance accepted the attendant risk of provoking a new election. In the end, so did the Social Democrats.

FOR SWEDEN DEMOCRATS, READ: UKIP?

Probably just six weeks after Sweden's extraordinary election, Britain goes to the polls. There are certainly parallels in the two countries' current politics.

UKIP is, in many ways, quite different to the Sweden Democrats. And it certainly won't get 14 per cent of the seats in the House of Commons. But the two parties clearly derive their growing support from deep disquiet in sections of the electorate about immigration, which may in turn

partly spring from comparable socio-economic causes. While they are threatening chiefly to the main party of the right in their respective countries, UKIP and the Sweden Democrats also take votes from the left. They are both, for now, isolated by everyone else.

Despite very different electoral systems, the British and Swedish party systems have been based mainly on left-to-right competition. In Sweden, no party can hope for its own majority in Sweden. No party achieved it in Britain in 2010, and none looks likely to do it in 2015 either.

In 2010 the Lib Dems bridged the gap. If they melt down next time, and especially if UKIP bags a dozen seats or so, it could become hard to see how stable majority government can be achieved - precisely the dilemma that Swedes are currently pondering.

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