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Norway's Storting election of September 2005: Back to the Left?

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In September 2005, after four years in opposition, Jens Stoltenberg led the Norwegian Labour Party to electoral victory at the head of a 'red-green' alliance that included the Socialist Left and the rural Centre Party. This brought about the first (peace-time) Labour-led coalition, the first majority government for 20 years, and the first coalition to include the far left. The centre-right coalition of the Conservatives, the Christian People's Party and the Liberals lost badly, and the populist right-wing Progress Party became the second largest party. Four years earlier (Norway uses a fixed-term electoral cycle) Stoltenberg had fought the 2001 election as a modernising prime minister cast in the Tony Blair mould, defending a record of public sector modernisation and privatisation, and lost badly.¹ Labour's 2005 campaign was a stark contrast. The Blairite 'third way' rhetoric was replaced by criticism of the centre-right's public sector reforms; underscored by the new alliance. Was this, then, the triumph of the return to 'second way' social democracy?

The answer is, at most, a qualified 'yes'. The result also reflected three factors that have been central to electoral contests in Norway for at least ten years. First, as John Madeley noted in an earlier election report in this journal, Norway's oil wealth wreaks havoc with electoral politics.² Governing parties are vulnerable to charges that the 'richest country in the world' can surely afford better public services, and such arguments find resonance in a country with a high proportion of floating voters.³ Second, the last two decades have seen minority governments come and go. Building and maintaining coalitions has been a persistent challenge. Third, Norway's ambiguous relationship with the European Union continues to divide both centre-left and centre-right coalitions. The question must be solved, or at least shelved, before any coalition can be agreed. All three themes played their part in 2005: yet another government that had presided over a solid economy was defeated; the Progress Party withdrew its support from Prime Minister Kjell Magne Bondevik's centre-right minority coalition; and the centre-left parties managed to copy the centre-right's formula for quarantining the question of whether Norway should join the EU.

¹ Aardal, Bernt, Valen, Henry, Karlsen, Rune, Kleven, Øyvinn and Norman, Tor Morten. 2001. *Valgundersøkelsen 2001*, Oslo: Statistics Norway.

² Madeley, J. 1998. *The Politics of Embarrassment: Norway's 1997 Election*. *West European Politics*, 21(2): 187–194.

³ Between the 1997 and 2001 elections 37 per cent of voters altered their vote. Aardal, Bernt, Valen, Henry, Karlsen, Rune, Kleven, Øyvinn and Norman, Tor Morten. 2001. *Valgundersøkelsen 2001*, Oslo: Statistics Norway. An English language summary can be found on Statistics Norway's web pages, <http://www.ssb.no/english/subjects/00/01/10/>

Because recent elections had brought about a change of government, many commentators spoke of the 'wear and tear of government'. Even a strong economy seemed not to save incumbents from defeat. In 1997, after seven years in office, Prime Minister Thorbjørn Jagland's Labour government resigned after failing to improve on its 1993 electoral result. A minority coalition led by Bondevik of the Christian People's Party and including the Liberals and Centre Party took over, and survived for nearly three years. When Labour returned in 2000, now led by Stoltenberg, a mere 17 months was sufficient to erode the party's support before the September 2001 election. It was Labour's worst result since the schisms of the 1920s. Bondevik returned, this time in coalition with the Liberals and Conservatives. In 2005 it was their turn: despite solid economic performance, top ratings in international competitiveness leagues and the country being nominated the best place to live by the UN five years running, the governing parties could not win re-election.⁴ The 2005 result was even worse for the centre-right than the previous election had been for Labour: the three parties dropped ten percentage points to less than 27 per cent. This was the worst result ever for the three parties collectively, and for the Conservatives and Christian People's Party individually.⁵ The Conservative party lost a third of its support compared to 2001, and the Christians lost nearly half. The Liberals improved by two-percentage points, benefiting from tactical voting and the Conservatives' decline, and returned above the four per cent threshold for a share of the top-up seats. This was a necessity if the government was to survive, and particularly important because the new electoral law had increased the number of top-up seats, used to make Norway's regional list-PR system more proportional, from eight to 19.⁶ Yet the result was close. Projections shifted back and forth during the night of 12 September. In the end the red–green coalition emerged with a five-seat majority in the Storting: 87 of the 169 seats. The Conservatives lost no time pointing out that the four 'blue' parties polled 22,000 votes more than the red–greens.⁷ This figure, however, excluded the Red Electoral Alliance's 32,000 votes on the far left, as well as the 22,000 votes that went to the Coastal Party (generally, if dubiously, seen as centre-right). Labour was the big winner: it recovered most of its ten-point drop from 2001. The Centre Party held its ground. The Socialist Left lost some of the ground it had gained (from Labour) in the last election, but could take comfort in the overall 'red' vote moving back up above the 40 per cent mark. More to the point, it won its first seats at the cabinet table. The other big winner was the Progress Party, which had played a supporting role for the Bondevik government but withdrew its support in the early days of the campaign. It crossed the 20 per cent mark for the first time, and firmly relegated the Conservatives to third place.

⁴ World Economic Forum Global Competitiveness reports (<http://www.weforum.org/>) have rated Norway in the top ten the last four years; on the UN ratings see UNDP Human Development Reports (<http://hdr.undp.org/>).

⁵ The Conservatives have not fallen this low since the party was established, the Christian People's Party not since it became a national party in 1945 (but it polled 0.8 and 1.4 per cent as a regional party in 1933 and 1936). Electoral data can be found at author's website (http://www.bi.no/templates/artikkel2___35406.aspx); the official Norwegian sources are the Ministry of Local Government and Regional Development (<http://odin.dep.no/krd>) and Statistics Norway (<http://www.ssb.no>).

⁶ Norway has used regional PR systems since 1924. In 1953 Modified Sainte-Laguë replaced the D'Hondt formula; the number of seats was increased incrementally before the 1973 and 1985 elections; top-up seats were introduced in 1989 and their number increased in 2003.

⁷ This figure, however, excluded the Red Electoral Alliance's 32,000 votes on the far left, as well as the 22,000 votes that went to the Coastal Party (generally, if dubiously, seen as centre-right).

Table 1: Elections results 12 Sept 2005 and 10 Sept 2001 (Source: Official results as per the Ministry of Local Government and Regional Development (<http://odin.dep.no/krd>)).

	2005			2001		
	Seats	Votes	Votes (%)	Seats	Votes	Votes (%)
Labour (DNA)	61	862,454	32.7	43	612,847	24.3
Progress Party (FrP)	38	581,893	22.1	26	369,116	14.6
Conservatives (H)	23	371,950	14.1	38	534,747	21.2
Socialist Left (SV)	15	232,965	8.8	23	316,407	12.5
Chr. People's Party (KrF)	11	178,885	6.8	22	312,743	12.4
Centre Party (Sp)	11	171,063	6.5	10	140,327	5.6
Liberals (V)	10	156,111	5.9	2	98,605	3.9
Red Electoral Alliance (RV)	0	32,355	1.2	0	29,963	1.2
Coastal Party (Kyst.)	0	21,948	0.8	1	44,011	1.7
Total (incl. others)	169	2,638,261	100	165	2,521,781	100
Turnout		77.10%			75.10%	

Despite the governing parties' effort to focus the electoral campaign on the strong economy, it was dominated by the ubiquitous combination of public services and the oil wealth. What to do with the budget surplus that the North Sea petroleum sector provides has been a central question in the last three elections. In 1996 the Labour government began to set aside part of the budget surplus in the designated Petroleum Fund, starting with some £180m. In 2001 the fund stood at more than £50bn; come September 2005 it had accumulated £100bn. However, in 2001 the then Labour government decided that it would not use more than four per cent of the oil fund to finance the budget. This 'rule' has since been maintained, although it has been honoured mainly in the breach: the Bondevik government broke it every year. Labour and the Conservatives are firmly committed to it, and the Christian People's Party and Liberals broadly support it. The Socialist Left, the Centre Party and the Progress Party all oppose this self-imposed restraint. This means that no government, whether centre-right or centre-left, is immune to the charge that it ought to engage in some 'wise' expenditure of more 'oil money'. The 2005 campaign was no exception. The Norwegian economy was certainly strong: steady mainland (non-oil) economic growth; comparatively low (and falling) unemployment; and a 2.0 per cent interest rate.⁸ Nevertheless, the opposition parties on both the left and right successfully shifted the focus from economic performance to kindergartens, healthcare and the elderly. In a wealthy country, it seems, strong economic performance is not enough. The core question becomes how to spend the wealth.

The Conservatives (or Høyre, literally the Right) took on the main role of defending the government's record. Although the Christian People's Party supplied the prime minister, the Conservatives had

⁸ All economic data cited in this report are from the English-language web pages of the Norwegian Central Bank (including its Inflation Reports): <http://www.norges-bank.no/english/>. As of 30 June 2005 the market value of the Norwegian Petroleum Fund was NOK 1,184bn, or £100.8bn.

remained very much the senior partner. Their election strategy was to play up three key issues that had been driven through by Conservative ministers: economic performance, education reform and freedom of choice for public service users. Despite the coalition's commitment not to apply for EU membership, the party also called for closer cooperation with the EU. Choice and quality in secondary education took centre-stage in the campaign literature, along with tax cuts and competition in the public sector. As in the UK, tests and league tables became controversial, although education reforms were less dramatic. The Conservatives' campaign probably suffered most from their decision not to put forward their own candidate for prime minister. Because it remained committed to maintaining the coalition in the event of a centre-right victory, the party rallied behind Bondevik rather than put forward its new and popular party leader, Erna Solberg. Moreover, the decision to focus the campaign against the Socialist Left backfired somewhat. Even if warnings that red–green victory would lead to higher living costs, excessive trade union influence and less freedom of choice may have been credible, Solberg's labelling the opposition as 'the socialists' and warning of the 'red menace' attracted criticism for scaremongering.

In contrast, the Christian People's Party adopted a much more cautious strategy. The party played down economic issues and public sector reform, and emphasised the struggle against poverty at home and abroad. Having suffered badly in the local elections in 2003, amid accusations that it had given up too much to its Conservative coalition partner, the party changed leader and concentrated on its core issues. The new leader, Dagfinn Høybråten, cited increased international development aid as the government's main achievement during its four-year tenure. Prime Minister Bondevik went so far as to apologise for not having done enough to combat poverty. The party drew attention to its record on 'value questions', such as religious education, biotechnology laws and one of its core issues – the cash benefits paid to mothers (of young children) who stay at home rather than work. The government's economic record came lower down the list.

The Liberals (or Venstre, literally the Left) were very much the junior coalition partners, but because the Christian People's Party was not prepared to enter a coalition with the Conservatives on its own, it was also an integral partner. Although it held only two seats in parliament, the party supplied three cabinet ministers (Norwegian ministers do not sit in parliament; members give up their seats to substitutes if they join the government and it is common that several ministers do not come from the Storting). The Liberals joined the Conservatives in defending the government's economic record, but focused primarily on small and medium-sized enterprise and the 'knowledge economy'. The party's chosen label is 'social liberal', and its campaign also emphasised higher education, research and environment policy. Its key challenge was crossing the four per cent threshold, and its core message was effectively that if voters wanted the government to survive they should vote Liberal.

On the left, the core decision that shaped the campaign was the red–green agreement. Having dropped more than ten percentage points in 2001, Labour faced a choice between continuing along the same track and possibly losing more votes (and even trade union resources) to the Socialist Left, or to play down the 'third way' strategy. This decision hinged partly on whether the Christian People's Party might be tempted to support a minority Labour government. Upon realising that this would not be an option, Labour began to work more closely with the Centre and Socialist Left in the autumn of 2004. This set the scene for the 2005 campaign: the centre-left focused on governability and public services. The three parties concentrated on criticising the government's public service reforms and its tax cuts. Labour and

the Socialist Left advocated a return to the 2004 level of taxation, thus effectively promising tax increases (the Centre Party favoured keeping the 2005 level unchanged). All three were critical of competitive tendering in the public sector, and opposed a greater role for private schools and hospitals (largely on the grounds of equality of service provision). They claimed to offer a more coherent governing alternative, and argued that the country needed a strong majority government.

Labour's campaign thus represented a radical departure from 2001. Four years earlier the party had defended a record of fiscal conservatism, privatisation and public sector reforms that included radical changes in education and health. These themes were taken over and carried through by the centre-right, and some were taken considerably further. In 2005 the media's comparisons between Jens Stoltenberg and Tony Blair were gone, replaced by 'Jens vs. Tony' contrasts. 'Solidarity' replaced 'renewal' as the central theme, and the manifesto suggested that privatisation had weakened the public sector and that competitive tendering had been taken too far. It focused on employment, active industrial policy, education, and elderly care and pensions reform. The leader of the Norwegian Confederation of Trade Unions, Gerd-Liv Valla (who also sits on the Labour's Executive Board), welcomed this turn to the left. Yet Stoltenberg went to great lengths to argue that the party had not moved to the left, that it was merely the centre-right that had gone too far to the right.

The Socialist Left had been the government's most vociferous critic through the 2001–2005 parliament. Having doubled its share of the vote in 2001, it had much to lose. At the same time, participation in government would be a considerable prize. Its 2005 campaign, like most of its previous campaigns, focused on education, social justice and environmental protection, and a general commitment to higher taxes and public expenditure (including more use of the oil money). Full provision of kindergarten places at reduced rates (and cancellation of the cash payments to mothers who stay at home) took centre-stage. Party leader Kristin Halvorsen rashly said she would resign if this promise were not fulfilled. However, the party had no experience with coalition government, or even campaigning as part of a credible governing alternative. The decision to work with Labour and the Centre Party involved it in a number of high-profile compromises, and some confusion (in televised debates) over which parts of the programme were operable and the costs of its various promises (such as free school lunch). At times, therefore, both the party and its leadership suffered from the new campaign style.

The third red–green partner, the Centre Party, has now governed with every party in Norway bar the Progress Party. It worked with the other non-socialist parties in the 1980s, but left the then centre-right coalition in 1990 over the Conservatives' decision to seek EEC membership. It then supported the minority Labour government until the 1997 election, after which it joined the Christian People's Party and the Liberals in Bondevik's first government. The decision to join the red–green alliance was therefore historic in the sense that it was the first time the party joined a centre-left coalition, but it was not quite as radical a step as it was for the other two parties. The party's core commitments are compatible with both centre-left and centre-right policy agendas: more subsidies for agriculture, better financing of local government, more spending on infrastructure, and active industrial policy. Its commitment to maintaining the current level of state ownership is broadly compatible with its two partners' calls for a slight increase. Like the Socialist Left it sees the Petroleum Fund as a source for more government spending. Unsurprisingly, its campaign demonstrated considerably more experience in preparation for coalition government than was the case for the Socialist Left.

By far the most dramatic move in the election campaign (which stretched much longer back than the month-long 'official' campaign) came from the Progress Party's leader, Carl I. Hagen. On 20 June he removed the government's parliamentary base by announcing that his party would no longer support a government led by Bondevik. By timing this move to just after the Storting closed for the summer recess, the Progress Party avoided actually having to bring down the government, and achieved maximum publicity. Hagen said his problem was with Bondevik's refusal to consider formal cooperation with his party whatever the election outcome, and not with the centre-right coalition. This put the question of how the four parties might cooperate squarely on the agenda. Only the Conservatives have even considered inviting the Progress Party into some kind of formal coalition agreement, but fiscal policy provides a major obstacle to cooperation. While both parties campaign for lower taxes and more competition and choice in public services, Hagen's party has long advocated more use of the 'oil money' and higher public expenditure. In 2005, as in the last few elections, the party combined its classical right populist stance on law and order and immigration with a centre-right agenda in terms of competition and privatisation, and an almost left-wing call for better public services and more spending on infrastructure and core welfare policies such as health care and the elderly. The novel additions in 2005 were explicit neutrality on the EU question and a focus on foreign terrorism.

The one issue that was conspicuously absent from the election campaign was European integration. Norwegian voters rejected membership in referendums in 1972 and 1994, but the question is far from settled. Labour and the Conservatives favour EU membership, the other parties are neutral or against it. The question must therefore be quarantined if any coalition is to last. In 2001, the Conservatives, the Christian People's Party and Liberals did this by agreeing to terminate the coalition if the question of EU membership were raised: the so-called 'suicide clause'. During the 2005 campaign, Labour reached a similar agreement with its two strongly Eurosceptic partners. Both coalitions thus agreed that the European Economic Area agreement (EEA), which since 1994 has secured access to the EU's single market, would remain the main basis for Norway's relationship with the EU. The absence of 'Europe' from the campaign was therefore misleading: the question had to be resolved before a coalition could be formed. The red-green government took office on a less firm basis than its predecessor in this respect. The two junior parties oppose not only EU membership, but also the EEA. This requires that Norway accept all relevant new EU legislation. Although a new law could in theory be rejected, this has never been tested. If it were, the ensuing crisis could well break the coalition. Moreover, the centre-right 'suicide clause' was particularly credible because a coalition breakdown would probably have led to a Labour minority government. It is far less clear what would happen in the event of a red-green breakdown, which could be less than 'suicidal' for Labour. Taking into account that the Conservatives are united on the EU question, and see it as a useful device to split or embarrass the centre-left, a less than fully stable picture emerges.

With the EU question thus settled, and the coalition negotiations concluded on time, Norway duly got its first majority government for two decades on 17 October 2005. Labour took ten of the 19 cabinet posts, including the prime minister as well as defence, justice and foreign affairs. The Centre Party got four seats, including its core portfolios such as agriculture, regional policy and transport (as well as energy, because the other two parties vetoed each other's control of oil and gas policy). The Socialist Left was allocated five ministers, including education, environment, international development, administration

and, not least, Kristin Halvorsen as minister of finance. Eleven cabinet ministers, including two from Labour, are on record as opposing EU membership.

The 2005 election broke several patterns in Norwegian politics, but this should not obscure some important continuities. The biggest change was the red–green coalition, which provided Norwegian voters with a clear choice between two alternative blocs, and resulted in a majority government. This hinged on Labour's move to the left, which had much to do with the party operating under very different conditions from its British namesake: PR elections, competition on the left flank and stronger (if less radical) trade unions. The combined Labour and Socialist Left vote returned above the 40 per cent mark; near the average for the 1980s and 1990s. Adding the Centre Party gave the coalition a majority of seats, if not votes. The Progress Party's rise can be seen as part of a trend over two decades, even if its replacing the Conservatives as the second largest party was a radical change on the Norwegian right. Voters once again punished the incumbent parties, which were unable to capitalise on the strong economy. Both blocs sidestepped the EU question, but it continues to cast a shadow over coalition governments (and may yet cause more of them to fall). It is tempting to conclude that the 2005 election was a step to the left in Norwegian politics. For Labour the coalition agreement certainly was, at least compared to Stoltenberg's 2000–2001 government. Yet public service reform, the 'oil money' and coalition tensions and relations with the Progress Party all played their part. No doubt the Conservatives are looking forward to 2009.