

Swedish Social Democrats battered in election

Our reporter
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The ruling Social Democratic Party made its worst showing since the 1920s, losing one fifth of its seats in the country's parliament in balloting September 20, and raising the prospect of a weak minority government in Sweden. Nearly one quarter of Social Democratic voters abandoned the party in disgust over its austerity policies, the bulk of them turning to the former Stalinists of the Left Party, whose vote more than doubled.

The SPD vote fell from 45.3 percent in 1994 to 35.4 percent, while the vote for the Left Party rose from 6.2 percent to 13 percent, far more than Swedish Communist Party ever recorded. The Christian Democratic vote rose from 4.1 percent to 8.3 percent, but its gains came mainly at the expense of two other right-wing parties, the Liberal Party and the Center Party. The four-party right-wing alliance, which also includes the Moderate Party (whose policies of privatization and slashing Sweden's welfare state are actually the most right-wing) fell well short of a majority.

Goran Persson, the Swedish prime minister, canceled a planned trip to New York City where he was to address the United Nations and meet with Bill Clinton and British Prime Minister Tony Blair at a conference on their so-called 'Third Way' agenda, under which the Democratic Party in the US and the British Labour Party have moved drastically to the right.

Persson said he would not form a coalition government with the Greens or the Left Party, but would seek their parliamentary support for a minority Social Democratic government. The Stockholm stock exchange fell sharply after the vote and the Swedish krona also weakened, on fears in business circles that a weakened SPD government would be less able to press ahead with its policy of budget-cutting and spending restraint.

The SPD finance minister, Eric Asbrink, said that

parliamentary maneuvers would not affect implementation of three multi-party agreements negotiated during the last parliament. These agreements set a three-year ceiling on public expenditure, gave the central bank greater independence from parliamentary control, and placed restrictions on future pension benefits, a major change in Sweden's system of social welfare programs. Asbrink said the SPD would submit a budget October 13 that continues its policy of running a surplus in Sweden's current accounts.

The Left Party campaigned on the basis of opposition to Sweden's entry into the European Monetary Union and to the new single European currency, the euro, which is to be introduced beginning January 1, 1999. Gudrun Schyman, the former social worker who is the party's leader, called for a popular referendum on Sweden's entry into the euro zone as the price of her support for an SPD government.



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