Norway: Conservatives and far-right Progress Party on brink of power

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The September 10 general election marked a historic collapse for the Labour Party and herald major re-alignments in Norwegian politics. A new government has not yet been formed, and Labour Prime Minister Jens Stoltenberg remains in office. But Labour, long the largest party in Norwegian politics, saw its share of the vote plummet to 24 percent, down by 10.7 percent from the last elections in 1997, and their lowest result since 1927. Of the 165 seats in the *Storting* (Norwegian parliament), Labour now holds only 43, down from 65, making its removal from office virtually certain. As the results became clear, Labour Foreign Secretary Thorbjørn Jagland announced, "We have lost credibility on what has been our historic mission—the fight for social justice and for the weakest members of our society".

Hitherto, the principal opposition to Labour has been the Centre Alliance coalition of the Centre Party, Christian Democrats and Liberals. The Centre Alliance last held power from 1997 to 1999 under Christian Democrat Prime Minister Kjell Bondevik. This time around, however, the Christian Democrats lost three seats, bringing their total to 22, while the Conservatives won 38, an increase of 15 seats. The Conservative Party has been the principal beneficiary both from Labour's long-term decline and from a collapse in the vote for the far-right Progress Party.

Progress split earlier in the year, following a spate of scandals and sordid internal feuds between its unreconstructed fascist elements and supporters of the current party leader, the populist demagogue Carl I. Hagen, who wanted to repackage the party along the lines of the National Alliance in Italy. Although Progress retained 26 seats and 14 percent of the vote, their result was much lower than their share of some earlier opinion polls; for a brief period last year they were at the top of Norway's opinion polls when the party held 30 percent of voting intentions.

Nevertheless, Hagen's "voice of the common man" image did attract a confused protest vote from sections of workers, and the Progress Party's anti-immigrant and anti-welfare ravings have been utilised as a means to push official politics to the right. The party is still positioned to play a major role in Norwegian politics.

The Conservative Party's success has triggered efforts to form a new governing coalition along with the Christian Democrats, the Liberals (who won 2 seats) and the Progress Party. Even if Progress does not formally participate in government, its support is crucial and would mark a new stage in the growth of the party's political influence. Negotiations between all the potential coalition partners have begun, with either Kjell Bondevik or Conservative leader Jan Petersen likely to become the next prime minister. The discussions and horse-trading could easily last into October, when the new *Storting* is due to assemble for the first time.

Underlying both the Labour Party's collapse and the rise of right wing parties is a deep going social and political polarisation. As Norwegian capital seeks to project its interests internationally, it has intensified attacks on social welfare at home—thereby undermining the long-standing policies of social welfare on which support for the Labour Party was based. Jens Stoltenberg came to power presenting himself as the Norwegian Tony Blair.

Norwegian industry—dominated primarily by oil and gas, but also with significant telecoms, shipping and engineering interests—is a significant player in the world economy, despite the country's tiny size, with a population of only 4.5 million. Under Labour, the nationalised oil company Statoil was partially privatised to allow it to compete globally with rivals such as Exxon and British Petroleum in the carve-up of assets in the Caspian Sea. During the election campaign, Statoil signed a deal to supply gas to Poland and hopes to expand throughout the Baltic region. Statoil is already a major influence in efforts to further deregulate the entire European energy industry. The country's lucrative telecoms and engineering industries have also helped create a newly rich layer within Norwegian society, which is desperate to safeguard its wealth and which views social provisions for the working class as an intolerable drain.

Commenting on the implications of the election for the wealthy, newspaper *Dagens Næringsliv* positively salivated at the prospects, "the Conservatives' rise and Labour's fall paves the way for more good news on the tax front. The residential housing tax will be abolished, increased use of overtime will be permitted, surgery paid for by employers will not be taxed, support for the dividend tax will weaken, and the tax on share

options could be eased... There is already much to be happy about—even before a new government has been put together. Hopefully, this is just the beginning."

Although Norway has one of the highest levels of per capita income in the world, income inequality is increasing dramatically. According to the Norwegian government's own statistics, between 1986 and 1997 inequality increased at one of the highest rates of all the leading industrialised OECD countries. Over the decade, the wealth of the top ten percent of the population increased by 34 percent, while the bottom ten percent's share only grew by between five and six percent. The government cites share options and dividends as the primary source of increasing inequality. A more recent survey revealed 126,000 people living on incomes below what was described as a minimum budget. Labour's response has been to attempt to curtail social spending and force welfare claimants back into low wage work.

The election itself was dominated by social questions, which, despite the immediate right wing triumph, point to the isolation of the Norwegian ruling class. This was hinted at during and before the campaign, with elements within the trade union and Labour bureaucracy such as Thorbjørn Berntsen warning of the social consequences of Labour policy.

Last year, Norway was brought to a standstill by a short general strike over the bi-annual wage negotiations, which took both business and trade union officials by surprise. In May this year, the Federation of Trade Unions (LO) announced an historic 500,000 kroner ($56,400) donation to the middle class radical Socialist Left party, who gained 14 seats in the election, taking their total to 23. Subsequent opinion polls have shown the Socialist Left sustaining their increased support, also winning youthful voters from the Conservatives.

During the campaign, all the parties, presented their policies in terms directed towards the social concerns of ordinary Norwegians—hospital care, schools, day-care centres and so on. But the Conservatives were able to win support for their programme of tax cuts because of Labour's record in government. Just last July, Labour increased indirect taxation on consumer goods, taxes that fall most heavily on the working class, and pushed forward the privatisation of oil, telecoms, and rail networks. As a result, its election promises to increases health and social funding, provide more hospitals and day care centres were simply not believed.

Labour was also caught out surreptitiously seeking to implement the exact opposite of its stated policies. Despite Stoltenberg's denials and campaign promises, a document emerged which made clear that until last April he was seeking trade union support for a cut in sickness benefits, which would reduce payments for the first 16 days of illness. Labour's promises to reduce day-care centre charges also collapsed when advertising posters promoting the policy were suddenly withdrawn days before the election. In the end, nobody believed them, preferring either the Conservatives calls for wide-ranging tax cuts, or the Socialist Left's call for a 6-hour working day.

The Socialist Left's origins lie in the Socialist People's Party, formed in 1961 on the basis of opposition to NATO and nuclear weapons. The party emerged out of a petition circulated at the height of the Cold War, calling for Norwegian foreign policy to be independent of both US and Soviet influence. Norway shares a border with Russia. In the late 1960s and early 1970s, the party focused on opposition to the then European Economic Community (EEC), forerunner to the European Union, forming an alliance with the Stalinist Norwegian Communist Party, which merged with the Socialist Left in 1975.

Subsequently the party has also concentrated on environmental issues, presenting itself as a red/green alliance proposing environmentally friendly, welfare-orientated social policies within the framework of the nation state.

It is an integral and trusted part of bourgeois politics in Norway. In recent years, one of its leading members, Erik Solheim, was the country's delegate in attempts to negotiate a peace settlement between the Sri Lankan government and the Tamil Tigers (LTTE). Despite its origins, the majority of its MPs supported the NATO attack on Yugoslavia in 1999.

The rise in the Socialist Left vote will radically increase the level of financial support it receives under state political funding arrangements, as will as the extent to which it is courted by the trade union bureaucracy. Should negotiations between the Conservatives and its various potential coalition partners fail, the most viable alternative would be a Labour-led coalition with the Socialist Left. This is an arrangement that is already being advocated by sections of the trade union bureaucracy and the Socialist Left, although to date the Labour leadership has ruled it out.