

Norway: Labour elected thanks to hostility to Conservatives

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Norway's September 12 general election saw a Labour-led coalition win power, defeating the Conservative-Christian Democrat government, which has ruled since 2001.

With 88 seats in the 169-seat parliament (Storting), it is the first Norwegian government in 20 years to command a working majority. The new government is the first coalition between Labour, the Centre Party that traditionally speaks for farming interests, and the Socialist Left. It is also the first time the former Stalinists and pacifists of the Socialist Left have entered government. The far-right Progress Party of Carl Hagen won 37 seats.

Labour, led by former prime minister Jens Stoltenberg, clearly benefited from broad hostility to the right-wing agenda implemented by the previous conservative coalition government of Kjell Bondevik. Despite presiding over four years of increasing oil prices from Norway's large North Sea fields, healthy economic growth and relatively low unemployment, the Christian Democrat Party lost half its seats and its coalition partner, the Conservative Party, lost about a third of its seats.

Since coming to power the conservative coalition had implemented 3,900 million kroner (\$600 million) in tax cuts largely benefiting the rich while imposing restrictions on the welfare system. Social inequality has grown to the highest levels in the postwar period. The conservative coalition also lost support due to its association with the Bush administration and the Iraq war. One of Stoltenberg's first acts was to inform US President George W. Bush that Norway would be withdrawing its 20 or so soldiers stationed in Iraq.

In its electioneering, Labour rejected the conservatives' plans for a further round of tax cuts. Labour criticised the Conservatives and Christian Democrats for favouring the rich at the expense of public services and social benefits.

Stoltenberg made the defence of Norway's relatively generous welfare and social spending his key election

promise. However, he also declared that Labour would not increase the total percentage of public spending as a portion of national wealth. This means that—at the very least—the large tax cuts already implemented by the Conservative coalition will not be rescinded and will continue to line the pockets of Norway's elite.

After more than a decade of shifting to the right, Stoltenberg ran what most Norwegian and European commentators considered to be a left-sounding campaign that attempted to delineate Labour from the right-wing parties.

In 2001, Labour suffered its worst election defeat in 90 years and clearly felt it was necessary to adopt a left posture to be elected. It was aided in this political deception by the creation of the long sought after alternative "left" coalition including the Socialist Left.

In fact, beneath Labour's left rhetoric is only a promise to delay more tax cuts until some pledges on elderly care have been fulfilled.

Labour has been the main political prop of Norwegian capitalism throughout most of the twentieth century. Though Labour was the midwife of Norway's substantial welfare state, in its last term in office from 2000 to 2001 Stoltenberg's government implemented a raft of right-wing policies that speeded-up its disintegration. Among the last Labour government's main achievements were its privatization plans that included the partial sell-off of Norway's national oil company Statoil, telecommunications provider Telenor and the Olvin minerals company. Stoltenberg was even called Norway's Tony Blair.

Rather than the defence of the social gains of the working class, Labour's concern is that the unpopular measures of the last Bondevik government were too destabilizing, and that free-market restructuring should be more carefully managed. In particular Labour was worried that its fellow bureaucrats in the Norwegian trade

unions were finding it difficult to stifle opposition to the Conservative-Christian Democrat's attacks on social conditions.

But Labour is not at liberty to utilize Norway's billions of dollars per year from oil and gas revenues to avoid the market liberalisation demanded by Norwegian and international big business—even if it wanted to. Norway's once heavily protected state enterprises such as Statoil and Norsk Hydro are now global players with interests that can only be served by the same ruthless measures as all the other major transnationals—tax cuts and scouring the globe for cheap labour.

This was shown during the election campaign by the actions of one of Norway's leading industrial concerns, Norske Skog, the world's foremost paper manufacturer. It announced in August that it would close its Skien plant with the loss of 380 jobs. Despite the plant being profitable, Norske Skog insisted that rationalisation must be carried out in order to reduce overcapacity in the European market. Despite offers by various politicians to give the company a financial windfall to save the factory, and nationalist calls for it to pay its dues to Norwegian society, Norske Skog remained insistent that it would close the factory.

Like other Norwegian companies subsidised by the state, Norske Skog has long since outgrown any national basis for its operations and has refashioned itself as a major transnational corporation—having recently bought the PanAsia Paper Company formerly owned by Canadian firm Abitibi. The company also has plans to expand production in eastern Europe and in South America. The price of maintaining any production in Norway will be massive tax handouts and the erosion of working conditions.

With most of its increased support coming from the haemorrhaging of the Conservative coalition's vote, the Progress Party with 22 percent of the vote increased its parliamentary representation from 26 to 37 seats, making it the second largest party in the Storting/parliament. Progress fought the election on an anti-immigrant ticket. Its main campaign brochure sported a balaclava-wearing street criminal on the front cover, with a banner headline, "The perpetrator is of foreign origin!" Progress also announced that it considered that "All terrorists were Muslims."

From its origins among anti-taxation fanatics and neo-Nazis, the Progress Party has become a valuable instrument for Norwegian big business and has built a social base amongst sections of the middle class and small

business. During the election, the head of Norway's business federation, the NHO (*Næringslivets Hovedorganisasjon*), called for Progress to enter a formal coalition with the Conservatives.

Progress's leader Carl Hagen calls for massive reductions in tax, while claiming that public services for native Norwegians can be maintained by oil largesse and removing welfare payments to Norway's immigrant population. Hagen's function—and the party is largely built around him—is to continue to drive official politics to the right.

Former Labour leader Thorbjørn Jagland will be the new president of the Storting, while Hagen will be his deputy.

The media response to Labour's campaign and subsequent victory has been mixed. Some welcomed the presence of a degree of social democratic rhetoric in the campaign, while warning that the new government's agenda should not be bound by its election promises. One of Oslo's largest newspapers, *Aftenposten*, expressed concern that turnout, though up on 2001, was still historically low at 76 percent. However, the paper welcomed Labour's left feint as it had re-engaged people with the political system: "We had two clear government alternatives to choose between for the first time in far too long."

Other media outlets were clearly concerned over the use of such left talk when major inroads into public spending and state ownership must be executed.

International commentary was more critical. Danish *Berlingske Tidende* complained, "It seems inevitable that the new government will spend more money.... The Norwegians have stepped onto an oily slippery slope towards the left. It is lucky that they can afford it."

Germany's *Frankfurter Allgemeine Zeitung* struck an even more bitter tone close to the German elections, warning that the Labour-led administration should not make itself too comfortable on the back of Norway's substantial oil wealth: "Once again Norwegian politicians were able to take a bath in the country's oil cash box."



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