Labour Party returns to power in Norway

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Norway's Labour Party returned to office last month at the head of a coalition government with the rurally-based Centre Party. The minority government brings an end to eight years of rule by the Conservative Party, which governed for most of that time in coalition with the far-right Progress Party.

Labour's return was not the product of any popular enthusiasm for its record of support for US-led military aggression, attacks on immigrants, and public spending discipline. Its share of the vote fell compared to its 2017 electoral defeat. The social democrats secured just 26.3 percent of the vote, losing 1.1 percentage points and one parliamentary deputy compared to the 49 elected in 2017. This marked one of Labour's worst electoral results since the 1920s, barely surpassing the 24.3 percent of the vote the party secured in its devastating 2001 electoral defeat.

Its ability to form the government was thanks both to even larger losses for the Conservatives and far-right Progress, and modest gains by Centre. The Conservatives, led by incumbent Prime Minister Erna Solberg, obtained just 20.5 percent of the vote, a decline of 4.7 percentage points. This translated into a loss of nine deputies, leaving the Conservatives with 36. Centre, meanwhile, emerged with 28 deputies, up nine compared to the previous parliament. Gains were also made by the Socialist Left, which has its origins in a fusion of disgruntled Labour Party "lefts" and the Stalinist Communist Party in the early 1970s and served as a coalition partner with Labour between 2005 and 2013, and the ex-Maoist Red Party, which crossed the 4 percent hurdle required to form a parliamentary group for the first time.

Norway's new prime minister is Jonas Gahr Støre, who was foreign minister in the last Labour-led government under Jens Stoltenberg. He initially sought to form a majority government with Centre and the Socialist Left, but the latter withdrew from talks citing a lack of progress on ending Norway's dependence on oil.

The new government appears set to continue the Solberg government's pandemic response, which has been to lift almost all public health measures over recent months. Norway managed to restrict infections and deaths comparatively well in the pandemic's early stages, recording 919 deaths and about 200,000 infections to date. This compares with neighbouring Sweden, which has twice the population but has recorded 1.75 million cases and over 15,000 deaths due to its pursuit of an explicit "herd immunity" policy.

Støre is a close ally of Stoltenberg, who took over as head of the NATO military alliance after stepping down in 2013. Ever since, Stoltenberg has served as an ardent proponent of US-led military aggression throughout Eastern Europe against Russia, and in the Middle East. NATO's Secretary General has also joined in the Biden administration's ratcheting up of diplomatic, economic, and military pressure against China.

Norway, which shares an Arctic border with Russia, is an important ally and military base of operations for US imperialism. In April, Oslo concluded a new Supplementary Defence Cooperation Agreement with Washington. Building on decades of military collaboration since the founding of NATO in 1949, the deal permits the US military to build facilities at three Norwegian air bases and a naval port to "enhance cooperation between the two armed forces." It provides for American military personnel to enjoy "unimpeded access and use of these facilities and areas."

Particularly significant will be the US bases at Evenes Military Air Station and Ramsund Naval Station, located in Norway's far north. The foreign minister in the Conservative government, Ine Eriksen Soreide, commented, "To ensure that Norway and our Allies can operate together in a crisis situation under difficult conditions, we must be able to hold exercises and train regularly here in Norway."

Labour is fully on board with this agreement.

In addition to support for US military aggression, the new government will enforce the strict public spending controls imposed by the previous right-wing government. While no expense was spared during the coronavirus pandemic to support big business, the Conservative

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government imposed strict spending limits when it tabled the 2022 budget just days before Støre took over as prime minister.

These limit government expenditures in the budget each year from Norway's oil fund, one of the largest wealth investment funds in the world with a valuation of about $1.3 trillion. In 2017, Solberg's government cut the annual spending cap from 4 percent of the fund's total value to 3 percent. This cap was suspended for the 2020 and 2021 budgets, to fund large subsidies to business. For the 2021 budget, the previous government used 3.6 percent of the oil fund's total value. This was slashed to 2.6 percent for 2022.

Established in the early 1990s to invest Norway's oil profits, the fund has served to strengthen the position of the Norwegian bourgeoisie abroad and keep public spending on a tight leash at home. Kyrre Aamdal, a senior economist for DNB markets, remarked, "The total use of oil money (the structural, non-oil deficit) will probably not be changed that much by a new government."

As the pandemic spread globally in early 2020, Norway's economy suffered what was described as its worst peacetime economic shock. Unemployment reached levels not seen since the Great Depression.

The government responded with two state-backed loan guarantees worth up to 100 billion kroner for businesses. This package included 50 billion kroner of investment in the bond market to support large companies. This massive bailout for the corporate elite and Norway's rich accelerated the growth of social inequality, which has steadily expanded over the past four decades.

Often held up as an example of equality and social harmony in the international liberal and "left" press, Norway is riven by a deep social gulf. A 2018 Statistics Norway report noted that the richest 10 percent of Norwegians own 60 percent of the country's wealth. The top 1 percent controls 21 percent of total wealth. In comments to the faktisk.no website in 2020, Statistics Norway researcher Rolf Aaberge compared the levels of wealth inequality in the country to those found in Britain and France. "The value of the big fortunes are underestimated," he remarked, because, "we use values that are reported to the tax authorities, while the actual market value of for instance commercial real estate or unlisted shares in reality may be much higher. The same goes for property abroad."

According to Aaberge's estimates, the top 1 percent of income earners take home 20 percent of all income. The richest 0.01 percent earn 6 percent of total income.

A 2018 report from the Norwegian Institute of Public Health noted the gulf between the life expectancy of the richest and poorest in society. In Oslo, life expectancy varies by up to eight years between rich and poor neighbourhoods. Life expectancy for those with the highest education levels is five or six years more than for people with the lowest level of education.

Labour and the Socialist Left sought to exploit the growth of social inequality during the election campaign. But their criticisms rang hollow given their record in power. Under the first Stoltenberg government beginning in the late 1990s, Labour initiated the privatisation of oil, telecommunications, and railway companies. When Stoltenberg, who portrayed himself as the Norwegian Tony Blair, returned to power in 2005 with support of Centre and the Socialist Left, his government embraced the far-right Progress Party's anti-immigrant policies and enforced fiscal discipline for public services following the 2008 global financial crisis

The integration of Progress into the mainstream of Norwegian politics, and the embrace by all major parties of its immigrant-bashing, racist outlook, played no small part in the strengthening of right-wing extremist and outright fascist forces. The most terrible expression of this process occurred in July 2011, when fascist mass murderer Anders Behring Breivik killed 77 people at a Labour Party youth camp on the island of Utoeya and in Oslo's government district.

The groundwork for the austerity that characterised Solberg's two terms in office, which marked the first time that the far-right, tax-cutting Progress Party formally entered a Norwegian government, was also laid by Stoltenberg and Labour.

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