European Elections monitor

The Centre Party due to win the next general elections in Finland

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Analysis

Abstract :
A month and a half after their Estonian neighbours 4.5 million Finns are to renew the 200 members of their parliament, the Eduskunta/Riksdag (Finland is a bilingual country) on 19th April. Early voting will take place between 8th and 14th April.

Analysts are expecting a return to office of the Centre Party (KESK) led by Juha Sipilä, who might form a coalition government with the Social Democratic Party (SPD) of outgoing Finance Minister Antti Rinne. Thirty MPs are not standing for suffrage by the electorate and according to the polls 20 others might lose their seat. The Centre Party is coasting along in the lead with 24.9% of the voting intentions according to the most recent poll by Taloustutkimus for the TV channel *Yle Uutiset*. It is followed by the Social Democratic Party which is due to win 16.8% of the vote and the Conservative Assembly (KOK) of Prime Minister Alexander Stubb, which is due to win 16.2% of the vote which would be its weakest result since 1966. The True Finns (PS) are gaining ground and are due to win 15.4% of the vote; the Left Alliance (VAS) and the Greens (VIHR) are due to win 8.8% each and the Swedish People's Party (SFP) 4% of the vote.

Jussi Westinen, researcher at the Institute for Social Science Research at the University Abo Akademi, notes similarities in the Finnish political situation of 1991 when Prime Minister Harri Holkeri (KOK) was criticised for his arrogance. In that year the Centre Party led by Esko Abo (24.8%) drew ahead of the Conservative Assembly (19.3%) and the Social Democratic Party (22.1%). Indeed many have criticised Prime Minister Alexander Stubb at best for his indifference, at worst for his arrogance.

The government coalition which was formed after the previous general elections on 17th April 2011 under the aegis of Jyrki Katainen (KOK) included six parties: the Conservative Assembly, the Social Democratic Party, the Green Alliance, the Swedish People's Party and the Christian-Democratic Party (SKL).

The high number of participating parties has certainly slowed the decision making process and as a result the government's ability to take action during this legislature. Political leaders are unanimous in wanting the elections on 19th April to lead to a smaller coalition.

In March 2014, the Left Alliance decided to leave the government in protest against the budgetary cuts being made to social spending. The Greens followed in September because they disagreed with the decision to build another nuclear power plant (Fennovoima) together with the Russian Atomic Energy Agency.

In April 2014, Prime Minister Jyrki Katainen announced that he would not be standing again as head of the Conservative Assembly. He was replaced by European Affairs and Foreign Trade Minister Alexander Stubb, who took over as head of government on 23rd June after being appointed as head of his party 500 votes in support, against

349 for the Health and Social Affairs Minister Paula Risikko. Alexander Stubb is a liberal and supports Finland's membership of NATO.
The departure of the Left Alliance and the Ecologists meant that the government, which now only has a one seat majority in Parliament, was extremely dependent on the Christian Democratic Party.

OUTGOING GOVERNMENT: EXTREMELY CONTRASTED RESULTS

If the Conservative Assembly does lose the election the explanation for this will mainly lie in the electorate's desire to sanction to the outgoing Prime Minister's party for its inability to manage the economic crisis. "*Our nation needs two things: political stability and economic policy predictability,*" said the Prime Minister when he took over government last June. He signed a coalition agreement with the Social Democratic Party, the Greens, the Swedish People's Party which planned for growth of 1.1 billion €, 410 million € in tax reductions, investments in urban infrastructures, job creation, greater buying power and a reduction of the government debt as of 2018. "*We have lived beyond our means and our debt has doubled, rising from 50 to 100 million €,*" declared Alexander Stubb, adding: "*We have built our Welfare State on the hope of achieving 3% growth yearly.*" In the third quarter of 2014 Finland's GDP grew by 0.2% after an increase of 0.4% in the previous quarter. The Finnish economy is in recession due to record negative growth in 2014 for the third year running (- 1.1% in 2012; - 1.38% in 2013).

In October last the ratings agency Standard and Poor's downgraded Helsinki and Finland lost its triple A (AA+). The agency noted the country's vulnerability in relation to Russia: trade with Moscow represents a tenth of all Finnish exports and 4% of the country's GDP. The problems encountered in the main export sectors, notably linked to low private consumption, are a burden to growth.
Over the past few years the country has suffered a number of shocks: the collapse of the Nokia empire, which from 1998 to 2011, was the leading mobile phone company in the world; then there was a sharp decline demand in the paper industry – Finland is the leader in this domain in Europe – caused by the decrease in the number of paper publications in the wake of digital competition.

The debt, which was below 50% of the GDP when Jyrki Katainen came to office in 2011, (48.5%), now lies at around 60% (58.9% in 2014), the threshold not to go beyond in the EU's Stability and Growth Pact. Taxes have increased by three to four points on average over the last four years, since the State has tried to avoid making budgetary cuts as far as possible. Finally unemployment is rising, lying at 8.9% in October 2014 – a record level since the Conservative Assembly and the Social Democratic Party took office.

A rare event worth noting: in August 2014 the President of the Republic Sauli Niinistö (KOK), who has no power over the country's domestic affairs, spoke of Finland's internal problems and asked the Prime Minister to have the courage to introduce reform. The government has taken several steps to try and improve the socio-economic situation. Corporate tax was reduced from 24.5% to 20% to encourage direct foreign investments. A new reform raised the age of retirement from 63 to 65; those born in 1962 will be the first to be concerned by this (it will be progressively introduced for those born between 1955 and 1961). On a world level after Japan Finland's population is the one that is ageing the most rapidly. The Social Democratic Party, a member of the government coalition, is leading a difficult campaign in which it is trying to draw away from the KOK with whom it has been in office for the last four years. Its programme aims for tax reductions for the poorest and the middle classes. According to the party's leader, outgoing Finance Minister Antti Rinne, the economy will not be able to grow unless domestic consumption increases; also planned is a reduction of taxes that will enable an additional distribution of money to those who he believes are most able to spend it. The Social Democratic Party have made it their goal as announced by the Finnish Employees' Confederation

(STTK), to create between 150,000 to 200,000 jobs before the end of the decade.
Outgoing Prime Minister Alexander Stubb has said that he would not rule out governing again with the Social Democratic Party even though the two government parties have different ideas about economic policy.

At the beginning of March the head of government recalled that his country should not dismiss joining NATO within the next four years; "*I still support Finland's membership of NATO. Even though this might not seem like the right time to join the Alliance it is important not to reject this possibility,*" stressed Alexander Stubb. This opinion was also shared by President Sauli Niinistö, who said that this option should however be validated by a referendum. According to a survey published at the end of February by the daily *Helsingin Sanomat*, a quarter of the Finns (27%) support their country joining NATO, but more than half (57%) are against it.

Vladimir Putin's policy and the war in Ukraine have revived debate over the military alliance. Finland shares a 1,300km border with Russia. At the end of February six Finns in ten (61%) believed that the Russian threat to their country had grown. Helsinki and Stockholm recently decided to extend their military cooperation.

THE CENTRE PARTY: VICTORY FORECAST

The main opposition party, the Centre Party is led by entrepreneur Juha Sipilä, a relative novice in politics entering parliament after the general elections on 17th April 2011, when the party was at its lowest ebb. He took over as leader the following year. Juha Sipilä would like to govern Finland as he would a company; he believes that he can run the country as he does his teams within the companies he heads. To do this he plans to implement rules and strategies that have brought him success in business. "*The main thing is to agree on five goals but have one single vision. This is how I normally run my companies*," he repeats. "*I am not good at political games but at a time when people think we are suffering a lack of leadership I can help the country with my pragmatic way of solving problems,*" he declared the British daily The Financial Times mid-February.

The centrist leader presented his economic programme on 28th January. He indicated that he would privilege budgetary cuts rather than tax increases. He also said that he would reduce the debt by 2017. The Centre Party is promising to create 20,000 new jobs over the next ten years, is promising that Finland will recover growth of at least 2% and that the debt will be reduced, and possibly disappear. To do this it plans keep the lid on public spending and reduce unemployment benefit. It wants to reduce the number of Ministers – the Finnish government comprises 13 ministries (and a maximum 18).

The lead enjoyed by the Centre Party in the polls is rather more due to the electorate's discontent (more than half want to sanction outgoing Prime Minister Alexander Stubb's party, KOK) and their desire for change than to true enthusiasm for the Centre Party's suggestions. "*Economic issues will be at the heart of these general elections. The country's economic situation and outlook are so worrying that the Centre Party is winning voters practically without doing anything,*" declared Juhana Aunesluoma, director of the network for European studies at the University of Helsinki.

AND WHAT ABOUT THE TRUE FINNS?

The True Finns, who won 19.1% of the vote and 39 seats in parliament and who became Finland's third political party in the elections on 17th April 2011 chose to remain in the opposition. The party has been declining since the election.

Although voters from the more traditional parties – the oldest – are often relatively certain of their choice, the populist parties mainly encounter problems in gaining the loyalty of their electorate. Many who voted for the True Finns four years ago

went over (or have returned to) to the Centre party or, to a lesser extent, to the Social Democratic Party. "*Alexander Stubb's government is the continuation of the rainbow coalition formed by Jyrki Katainen. Its results are poor. The Conservative Assembly and the Left Alliance cannot be in the same government*," indicated Timo Soini, the True Finn leader, who maintains that a right wing government has to be built on "*one ideology only*."

By systematically criticising without ever offering a credible political alternative Timo Soini has failed to capitalise on the government's weaknesses. He still positions himself as the defender of the poorest, whom he would like to protect from austerity policies.

The True Finns have always defended the unemployed, the workers, the excluded, single mothers and small businesses. They advocate a strong Welfare State, the only means to ensure the economic security of the poorest. The party's forerunner, the rural party Veikko Vennamo (The Party of the Forgotten), was already qualified as a "non-socialist left wing workers' party" due to its left wing economic programme and its far right social policy. In parliament however the True Finns sit in the centre between the Greens and the Centre Party.

The party is undeniably populist- it criticises the elites deemed to be incompetent, corrupt and deaf to the problems of the people; it questions representation likewise intermediary organisations and it exalts the people; it values the national dimension and is hostile to the EU and globalisation; it would like to restrict (and even put a stop to) immigration from poor countries and it rejects a multi-ethnic society denounced as being the cause of all social ills. The True Finns have prospered due to the scandals surrounding the financing of the political parties; it denounced the government's European policy (notably regarding the aid granted to Greece); it has also benefited from the immigration issue, which it declares is a threat to both Finnish identity and the country's prosperity. It is proposing to reserve social protection to nationals only and is asking for a reduction in the social aid granted to foreigners.

For a long time Finland was an extremely homogeneous country welcoming immigrants mainly from its neighbours (Sweden and Estonia). As a host country it still has the lowest number of immigrants in comparison with the other Member States. In the same breath the True Finns say however that they want Finland to be an open country and deplore that it hosts so few foreigners. "*Finland is a pleasant country in which to work, to train and to live – it is a safe country. I am surprised that so few immigrants are interested in coming here*," declared Timo Soini.

The True Finns would like to have 6 ministries. They say they are prepared to work with the Centre Party. The idea of a cordon sanitaire (an alliance of government parties with the aim of preventing an extremist or populist party from coming to power) does not exist in Finland. The Rural Party (SMP) from which the True Finns originate took part in the Finnish governments from 1983 to 1990.

The populist leader says that he now favours Europe "*but the Union must go back to its roots – a trade union that will enable greater cooperation between nations – and it has to stop trying to become a super power.*" The True Finns are no longer calling for the end of the euro. "*It cannot be done without the agreement of most of the Finns likewise parliament. Today it is not on the agenda and the issue is therefore purely academic*," stresses Timo Soini.

During the European Elections on 25th May 2014 the KOK won with 22.6% of the vote (three seats), followed by the KESK which won 19.7% of the vote (3 seats). The True Finns took third place with 12.9% of the vote and two seats ahead of the Social Democratic Party (12.3% of the vote and 2 seats). Less than four Finns in ten turned out to ballot, (39.10%).

THE FINNISH POLITICAL SYSTEM

The Eduskunta/Riksdag, comprises 200 MPs elected

every four years in 12 constituencies each appointing between 6 and 35 representatives depending on their population size (except in the Aland Islands which elect just one representative); at each election the number of citizens in each constituency is divided by the country's total population and the result obtained is then multiplied by 199 to achieve the number of MPs elected per constituency. In 2013 the constituency of South Savonia merged with North Karelia to become Savonia-Karelia; those of Kymi and South Savonia merged to form South-East Finland.

The general elections are proportional and follow the d'Hondt method (single list in one round in the Aland Islands). Finnish voters choose both a party and a candidate. A specific feature is that there is no electoral threshold to be able to enter Parliament. This might have complicated the Swedish minority's representation and even deprive the Swedish People's Party of electing any MP at all.

Candidates are appointed by the political parties or by electoral associations. To take part in the general elections a party has to collate a minimum of 5,000 citizens' signatures in order to be registered by the Interior Ministry. Voters' associations which want to stand have to have at least 100 members. If the number of candidates appointed by local branches of a political party rises above the number of candidates it is allowed to put forward, the electoral law obliges it to organise primary elections. Finally the Eduskunta/Riksdag includes 85 women ie 42.5% of the total number of MPs. With regard to the number of women in parliament Finland lies 2nd in the European ranking behind Sweden, 44.7%.

8 political parties are represented in the Eduskunta/Riksdag at present:

- the Conservative Assembly (KOK), was founded in 1918 and lies to the right. It has taken part in all of the government coalitions since 1990. It is led by outgoing Prime Minister Alexander Stubb and has 44 seats;
- the Social Democrat Party (SPD), created in 1899 under the name of the Workers' Party of Finland is led by outgoing Finance Minister Antti Rinne with 42 seats;
- the Left Alliance (VAS), a party lying on the far left of the political scale was founded in 1990 and was the successor to the Democratic League of the Finnish People (SKDL) and the Communist Party (SKP), it is led by Paavo Arhinmäki and has 17 seats;
- the True Finns (PS) a populist, nationalist, Eurosceptic party formed in 1995 arising from the Rural Party (SMP) that was created in 1959. It is led by Timo Soini with 39 seats;
- the Centre Party (KESK), successor to the Agrarian Party founded in 1906; it lies to the right of the political scale and is led by Juha Sipilä and has taken part in nearly half of the governments (34 out of 69) and has 35 seats;
- the Christian Democrat Party (SKL), founded in 1958 and led by Päivi Räsänen. It has 7 seats;
- the Left Alliance (VAS), a party lying on the far left of the political scale was founded in 1990 and was the successor to the Democratic League of the Finnish People (SKDL), the Democratic Women's League (SNDL) and the Communist Party (SKP), it is led by Paavo Arhinmäki and has 14 seats;
- the Greens (VIHR), created in 1987 and the first European ecologist party to be given a ministry (1995) led by Ville Niinistö with 10 seats;
- the Swedish People's Party (SFP), is a liberal party created in 1906 and represents the interests of the Swedish minority and is led by outgoing Defence Minister Carl Haglund with 9 seats;
- the Christian Democratic Party (SKL), founded in 1958 and led by outgoing Home Affairs Minister Päivi Räsänen. It has 6 seats.

Between 1981 and 2011 three parties of almost equal importance shared 2/3 of the vote in the general elections in Finland. This situation ended on 17th April 2011 when the True Finns won an almost equal number of votes as the Social Democratic Party.

The President of the Republic is appointed by direct universal suffrage every six years. Sauli Niinistö (KOK) was elected on 5th February 2012 with 62.6% of the vote beating Pekka Haavisto (Greens, VIHR) who won 37.4% of the vote.

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Reminder of the general election results on 17th April 2011 in Finland

Turnout : 67.40%

Political Parties	No. of votes won	% of votes won	No. of seats
Conservative Assembly (KOK)	599 138	20.40	44
Social Democratic Party (SPD)	561 558	19.10	42
True Finns (PS)	560 075	19.10	39
Centre Party (KESK)	463 266	15.80	35
Left Alliance (VAS)	239 039	8.10	14
Greens (VIHR)	213 172	7.30	10
Swedish People's Party (SFP)	125 785	4.30	9
Christian Democratic Party (SKL)	118 453	4	6
Aland Islands Coalition	8 546	0.30	1
Others	59 085	1.60	0

Source : http://tulospalvelu.vaalit.fi/E2011/e/valitut/kokomaaval.htm

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