European Elections monitor

The Centre Party led by Juha Sipilä wins the general elections in Finland

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Results

Abstract:
The Centre Party (KESK) led by Juha Sipilä, came out ahead in the general elections organised in Finland on 19th April winning 21.1% of the vote and 49 of the 200 seats in the Eduskunta/Riksdag (Finnish and Swedish names for the Parliament) i.e. 14 more than in the previous general election on 17th April 2011.

The True Finns (PS), a populist party led by Timo Soini, won second place with 17.6% of the vote and 38 seats (-1). They were followed by the Conservative Assembly (KOK) led by outgoing Prime Minister Alexander Stubb who won 18.2% of the vote and 37 seats (-7). The Social Democratic Party (SPD), member of the outgoing government and led by outgoing Finance Minister Antti Rinne came fourth with 16.5% of the vote and 34 seats (-8).

The Greens (VIHR) led by Ville Niinistö made a breakthrough winning 8.5% of the vote and 15 seats. The Left Alliance (VAS), a far left party led by Paavo Arhinmäki won 7.1% of the vote and 12 seats (-2). Finally the Swedish People's Party (SFP) representing the interests of the Swedish minority, led by outgoing Defence Minister Carl Haglund won 4.9% of the vote (9 seats) and the Christian Democratic Party (SKL), led by outgoing Home Affairs Minister Päivi Räsänen, won 3.5% of the vote (5 seats, -1).

Turnout was high at 70.1% i.e. +2.7 points in comparison with the election in 2011. One third of voters (32.3%) voted early.

General election results 19th April 2015 in Finland

Turnout : 70,1%

Political Parties	No of votes won	% of votes won	No of seats
Centre Party (KESK)	625 687	21.10	49
True Finns (PS)	523 045	17,60	38
Conservative Assembly (KOK)	539 615	18,20	37
Social Democratic Party (SPD)	489 705	16,50	34
Greens (VIHR)	252 872	8,50	15
Left Alliance (VAS)	211 615	7,10	12
Swedish People's Party (SFP)	144 520	4,90	9
Christian Democratic Party (SKL)	105 022	3,50	5
Others	73 313	2,60	1

Source : http://tulospalvelu.vaalit.fi/E-2015/en/tulos_kokomaa.html

And so the opposition forces won these elections: the Centre Party and the True Finns easily drew ahead of the outgoing government parties. The Conservative Assembly was punished in the ballot for its inability to manage the economic crisis that is affecting the country. Likewise the Centre Party undoubtedly won because of voter discontentment and their desire for change rather because of any real enthusiasm on the part of the Finns for their centrist proposals.
Socio-economic issues were the focus of the campaign. Many social plans have been announced over the last few weeks even though the purchase of Alcatel-Lucent by Nokia was the source of joy in Finland, before finally worrying them: this operation has effectively raised fears of possible job losses. The country has suffered two major shocks over the last few years: the collapse of the Nokia empire, the world's leading mobile phone manufacturer between 1998 and 2011 (the company sold its mobile operation to Microsoft in 2013), which led to a decrease of 4.5% in the country's GDP. There has also been a sharp decline in demand in the paper industry (Finland is the leader in this domain in Europe) due to a fall in the number of paper publications. This reduction has forced the GDP down by 1%. In addition, since both of these industries are major exporters, Finnish sales abroad have fallen by 25% since 2008.

In October the ratings agency Standard and Poor's reduced the country's ranking which lost its triple and now lies at AA+. The agency highlighted Finland's vulnerability in relation to Russia: trade with Moscow represents one tenth of all Finnish exports and 4% of its GDP. The rouble crisis has led to a 13% reduction in Russian tourism and 14% decline in Finland's exports to Moscow.

The national debt, which was below 50% of the GDP when Jyrki Katainen (KOK) came into office in 2011 (48.5% precisely), now totals nearly 60% (58.9% in 2014), the threshold of which is not to be surpassed according to the EU's Stability and Growth Pact. On average taxes have increased by three points over the last four years since the State has tried its utmost to avoid making any budgetary cuts. Finally unemployment is rising: it lay at 8% in January 2015 i.e. its highest level since the Conservative Assembly and the Social Democratic Party came to office.

Juha Sipilä indicated that he would privilege budgetary cuts to tax increases (taxes represent 46% of the GDP), he has promised to reduce government spending (that totals 58% of the GDP) and any further increase in the debt by 2017. The centrist leader announced the creation of 200,000 jobs over the next ten years (Finland has lost 100,000 since 2008). He wants to govern Finland as he manages his teams in the companies he owns and is planning to implement the rules and strategies that have been successful in his time as a businessman. "*I am not good at political games but right now when people think that we are suffering from a lack of leadership, I can give the country my pragmatic way of settling problems*," he declared to the UK daily "*The Financial Times*" in an interview given mid-February.

Aged 54 Juha Sipilä, who originates from Veteli, is an engineering graduate from the University of Oulu. He started his career as a manager at Luari Kuokkanen Ltd then he worked for Solitra Ov, a manufacturer of GSM network components, of which he became the General Manager before buying the company in 1994. He later sold it for 12 million euro to the American company ADC Telecommunications. Juha Sipilä then turned to finance and bioenergies. In 1998 he created his own company Fortel Invest Oy.

He became MP for the first time in the previous elections on 17th April 2011 under the centrist label and he took over as the party's leader the following year beating his rival Tuomo Puumala 1,251 votes to 872.

For the time being Juha Sipilä has not said with which parties he intends to form a government. "*Above all we need to win back people's confidence and then we shall speak of a government plan*," he declared. During the electoral campaign he suggested however

that he only wanted to work with one of the main parties from the outgoing government, either the Conservative Assembly or the Social Democratic Party. "*Voters sent out a clear message that change is necessary in Finland,*" he stressed.

The True Finns will, in all likelihood, join the government. The idea of a sanitary cordon (alliance of government parties which aims to prevent an extremist or populist party from entering office) does not exist in Finland. The Rural Party (SMP) from which the True Finns originate, also took part in the Finnish governments from 1983 to 1990. During the entire campaign their leader Timo Soini worked on achieving a minister-worthy image. His second place offers him the chance of becoming Foreign Minister, a post of which he dreams. In addition to this we might say that since the party came second it traditionally is also given the Finance portfolio.

The future government coalition will have the difficult task of bringing the country out of the socio-economic crisis (recession, sluggish private consumption, postponed reforms) that it has been experiencing for the last three years. "*Finland may very well be the next Greece if urgent step are not taken to reduce public spending and the debt*," declared Juha Sipilä during the campaign. The centrist leader knows that he can count on his countrymen's attachment to budgetary discipline. All of the political parties believe that taxation, which is already high, cannot be increased any further and agree that State spending and the cost of labour have to be reduced. The difference lies in the extent of the effort to be made.

Finally the demise of the social democrats and the possible entry of the True Finns into government will contribute to a hardening of Helsinki's position in Europe, notably regarding Greece.

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