

DEMOCRACY AND HUMAN RIGHTS

DOING THE RIGHT THING?

Sweden's January Agreement one Year on

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The once powerful Social Democratic Party in Sweden is under pressure to remain the dominant political voice of the contemporary working class. Additionally, the 73-point agreement in January 2019 that was struck between the Social Democrats, the Greens and the two liberal parties is appearing to deepen the problems.



The deal was intended to maintain power and ensure that the far-right did not gain political influence. However, this solution comes with new challenges.



Nevertheless, the deeper problem lies in the Social Democratic Party itself. Do the Social Democrats know what they want?

The formation of a Social Democratic-Green coalition minority government, supported by the Center Party (Centerpartiet) and the Liberal Party (Liberalerna), was intended to keep the far-right, anti-immigrant Sweden Democrats (Sverigedemokraterna) directly or indirectly out of power. However, the party has grown even more popular. The government programme, based on the agreement between the two liberal parties, the Green Party (Miljöpartiet de gröna) and the Social Democratic Party (Socialdemokraterna) («January Agreement») is coming under increased criticism. At the same time, support for the Social Democrats and the Conservative parties – parties that have dominated Swedish politics for decades – is declining in the opinion polls.

In the general election of 2018, no political group or party won an outright majority. In fact, the Social Democrats, Sweden's largest party, slumped to 28.4 per cent of the vote in the election, their worst result ever.

Even worse, the far-right, anti-immigrant Sweden Democrats – a party that was led by outright Nazis up until the early 1990s – came in third, just behind the Social Democrats and the liberal-conservative Moderate Party (Moderaterna).

HISTORICALLY DIFFICULT GOVERNMENT FORMATION PROCESS

From the outset, the seven traditional parties had rejected cooperation with the far-right Sweden Democrats and none of the traditional government blocks could reach a simple majority. The country was heading for a delicate and complicated process of government formation.

It came as no surprise that due to the new parliamentary majorities newly elected parliament first rejected the continuation of the coalition government between the Social Democrats and the Green Party, which had enjoyed passive support from the Left Party. Then the parliament also rejected the four-party, centre-right coalition, known as the Alliance (Liberals, Centre Party, Christian Democrats and the Moderate Party). None of the traditional political blocks could attain a majority of their own. Two rejections in a row had never happened before in Sweden. The process was in deadlock.

As a result, both blocks tried to weaken the other's alliances. The four-party, centre-right coalition tried to persuade the Social Democrats to support them in forming a government. Not surprisingly, the Social Democrats refused. Prime Minister Stefan Löfven was not ready to quit his post. After all, he was still the leader of the largest party.

When the Social Democrats later tried to get the liberal parties – the traditionally agrarian Centre Party and the Liberal Party – to support a centre-left government, the liberal-conservative block declined the «offer» because they did not want to break the centre-conservative «Alliance block» which they had promised the voters to preserve.

Although they wanted to appear unified, the once solid Alliance block was not what it used to be. The new party leaders, Ebba Busch Thor (Christian Democrats) and Ulf Kristersson (Moderates), had a more conservative than liberal profile and their distancing from the Sweden Democrats was not as convincing. The migration policies of both parties had drifted towards the right and they had adapted anti-migrant rhetoric similar to the Sweden Democrats. Especially in the case of the Moderates, this policy shift represents a huge step away from the liberal ideals once associated with the former Moderate party leader and Prime Minister Fredrik Reinfeldt.

UNITED IN THE PRINCIPLES OF DEMOCRACY: THE JANUARY AGREEMENT

From a Social Democratic perspective, it was vital to divide the Conservative Alliance block. Almost 60 per cent of the voters had cast their vote for a conservative government. If the Alliance block had managed to stay intact and gain support from the Sweden Democrats, the political future of the Social Democrats would have looked very bleak. Hence, for Stefan Löfven, the internal dispute between the liberal-conservative parties made it easier for him, after some persuading, to crack the Alliance open and make a deal with the liberal parties.

On November 27th, 2018, the Center Party leader, the charismatic neoliberal Annie Lööf, broke the news that her party had shifted position and was open to the idea of Löfven returning as PM. The strings attached to this deal were drawn tight. The government coalition had to commit itself to a series of tough demands that would move the Social Democratic-led government's economic policies considerably towards the right.

In January 2019, after 133 days of deadlock, Sweden's governing coalition of Social Democrats and the Greens struck a deal with the two liberal parties to maintain power and ensure that the far-right did not gain further political influence. The new minority government coalition as well as its supporting parties released a document stating: «Our parties have different ideological starting points but are united in the principles of democracy.» The January Agreement was born.

As part of the agreement, the Social Democrats and the Greens signed onto a 73-point declaration of intent that was heavy on neoliberal and conservative policies. The deal was a landslide victory for the liberal parties and a bitter pill for the Social Democrats to swallow. In contrast to the Social Democratic election programme, which aimed to expand the welfare state, strengthen the rights of the workforce, the January Agreement contains policies that were central demands of the supporting liberal parties during the election campaign.

- Tax cuts for high income groups
- Privatisation of job placement services
- Reduction of employer contributions to health insurance, pension and occupational accident insurance

- A weakening of workplace health and safety regulations
- A loosening of employment protection
- Restrictions in the right to strike
- Deregulation of the housing market

The major financial reform was a big tax cut for those with the highest incomes. This contained an agreement on weakening employment protection regulations and initiated a system of market-based rents which would substantially reshape the rental market and force lower income households out of more attractive areas. But more importantly, it forced the Social Democrats to abandon the very core of their politics: the redistribution of wealth through the welfare state and the protection of workers' rights. It also explicitly ruled out any influence from the Left Party, a party the Social Democrats have relied on heavily over the past decades for putting welfare reforms through parliament.

Although the Left Party did not support the deal, they still wanted Löfven as prime minister rather than any other possible alternative. The party leader, Jonas Sjöstedt, argued that if his MPs were to vote against Löfven, Sweden would end up with a conservative government, possibly relying on the support of the far-right.

Thus, Löfven won and retained his premiership. But the price was very high. Maybe too high for the Social Democrats.

TRADE UNIONS CAUGHT BETWEEN A ROCK AND A HARD PLACE

LO, the nation's largest union federation and, historically, the founder of the Social Democratic Party, criticised the four-party deal. The federation had campaigned together with the Social Democrats and promised its members a very different, traditional Social Democratic agenda. They now faced policies not only of redistributing wealth from the working class to the upper class, but also threatening to weaken hard fought laws on the protection of employment – this from their very own party!

Karl-Petter Thorwaldsson, head of the LO, told Radio Sweden he resented the wording in the January Agreement regarding labour law reforms: »We realise that employers need more flexibility, but we want to negotiate the rules together with the employers, and not have intervention from the government all the time.«

Thorwaldsson saw a challenge in explaining the agreements to the trade union members. He said, »I think a lot of them will be confused whether this is what the Social Democrats want, or whether these are simply measures that they need to implement to remain in power.« The criticism from LO and Karl-Petter Thorwaldsson must be put in perspective. The close relations between LO and the Social Democratic Party is not only a historical one. The head of LO has a standing seat in the Executive Committee of the Social Democrats.

Nevertheless, the Agreement was criticised heavily by individual trade unions. Kommunal, the Swedish Municipal Workers' Union and largest LO member did not only use harsh words. They halted their financial support for the Social Democrats. The implementation of the Agreement has also led to conflicts between the government and the trade union movement and internal trade union conflicts. As a result, several LO members withdrew their mandate for LO to negotiate on their behalf during the employment protection reform talks.

IN SEARCH OF A PROGRESSIVE PROFILE

Critics of the January Agreement were also to be found among Social Democratic Party members. Many condemned the agreement, saying it would eventually backfire in favour of the Sweden Democrats by constraining the Social Democrats to implement their agenda.

Now, almost a year on, one could say the critics are right; SD is gaining more support. According to the latest opinion poll (January 2020) by the Swedish pollster Demoskop, the party has grown to become Sweden's largest with the support of 24,5 per cent of the voters. This compares to 23.4 per cent for the governing Social Democrats. The trend is clear: SD is gaining popularity

Hence, the Social Democrats, caught in the policy cage of the January Agreement, are in search of a profile that would allow them to distinguish themselves. However, they have not been too successful in this endeavour so far. Their search for a clear profile has been hampered by their failure to clearly position themselves on the core issues that are at the centre of public debate in Sweden.

THE ISSUE OF EQUALITY

The issue of inequality aptly displays the problem of the Social Democrats' mixed messages. According to OECD data, since the mid-1980s income inequality has increased in Sweden faster than in any other OECD country. With the exceptions of 1991–1994 and 2006–2014, the Social Democratic Party governed the country during this period. The big progressive reforms targeting growing inequality are still nowhere to be seen and with the January Agreement, several of the policy areas where such reforms are needed are off limits. The 2019 state budget wealth distribution profile chart, which normally leans in favour of lower income households in a Social Democratic budget, stood out as an embarrassment. The skewed income structure has been further reinforced. The main beneficiaries of the first budget under the January Agreement benefits high income groups and men more than women.

On the other hand, the Social Democrats do still differentiate themselves from the other January Agreement parties. They have, for example, managed to organise a majority for a new tax on banks and have been very clear about their critique of

the heavy tax cuts on e.g. wealth – one of the biggest concessions to the Liberal Party in the January Agreement. Furthermore, the Social Democrats have loosened the budget constraints in order to increase state spending. They have also decided to strengthen the redistributive function of the municipal redistribution system. It is envisaged that financially struggling municipalities will be allocated more funds from wealthy counties, towns and cities. Swedish schools are either run by the municipality or by non-municipal actors. All schools are still tax-financed. The party has adopted a clearer position that would limit the possibilities for the private schools to earn a profit.

THE DEBATE ON »MIGRATION«

Migration is a further issue where Social Democratic communication has been unclear. When Sweden's Prime Minister and leader of the Social Democrats, Stefan Löfven, was interviewed on the main weekly in-depth news programme Agenda at the end of 2019, a heated debate was triggered. The show's host tried to coerce Löfven into linking crime to migration and pressured the Prime Minister to agree to the idea that bringing refugees into the country could explain why Sweden has recently experienced a peak in gang-related violence. Stefan Löfven did not accept this analysis and highlighted social exclusion and poverty as the main reasons. This traditional Social Democratic answer would have gone unnoticed just a year ago. However, this time the response created an uproar in both traditional and social media. The public reaction illustrates the current climate of debate, where emotions trump facts, a very challenging political environment for the Social Democrats.

Two weeks after the show was broadcast, Prime Minister Stefan Löfven and the Party Secretary Lena Rådström Baastad wrote an article in *Expressen* implying that indeed migration is related to poverty, inequality and crime. This was not the first occasion where the Social Democrats could not decide what leg to stand on in the heated debate on migration and migration-related topics.

During the spring leading up to the 2018 election, the primary focus in the country's election campaign was refugees and crime. The Social Democratic Party adopted both conservative and populist rhetoric, and in TV debates Stefan Löfven continuously repeated the message »we have a restricted immigration policy«. Other senior Social Democrats pointed to a trade-off between migration and the expansion of the welfare state. The Minister of Justice, Morgan Johansson, stated on Twitter that an investment in free-of-charge public transport for school children during the summer would not have been possible without restricted migration. However, the strategy did not seem to shift the polls into the right direction for the Social Democrats.

As a result, during the summer the strategy was changed. In the final weeks before election day in September, the Social Democratic focus was now mobilising against racism, the Sweden Democrats and focusing on Social Democratic core

issues such as the expansion of the welfare state. During this later phase of the campaign, the poll ratings improved, allowing the Social Democrats to win the election.

This has become a common trait of the Social Democrats. Instead of highlighting subjects such as poverty, healthcare, and education, the Social Democrats keep finding themselves immersed in debates constituting the home turf of the Sweden Democrats. Simultaneously, the Sweden Democrats are very good at occupying areas previously dominated by the Social Democrats, for example, by promising more money for welfare reforms and struggling municipalities. Can anyone actually be surprised when the typical Social Democratic voter is confused and driven by the feeling of being displaced?

However, Social Democratic duress is not necessarily just a result of the success of the SD in forcing the Social Democrats to change policies. Rather, it is the opposite. The Swedish Social Democrats have undergone a transformation from a mass party (the characteristic form of a mass party is a party that represents a well-defined social group, organised membership, formal structures and meetings) to a so-called »catch-all« party.

CATCH-ALL OR CATCH AND RELEASE

An article titled »Catch-All or Catch and Release? The Electoral Consequences of Social Democratic Parties' March to the Centre in Western Europe« was published by the Centre for European Research (CERGU) and tried to explain the decline of Social Democracy in Germany and Sweden.¹

The authors wrote, »The Social Democratic parties were part of a »Third Way« movement common to such political parties during the mid-1990s. By continuing to moderate their positions and move away from their traditional bases towards the centre, they seemed to embody – a generation later – a second embracing of Kirchheimer's »catch-all« party thesis. However, unlike their 1960s incarnations, each of them in the mid-1990s disregarded their left flanks and saw considerable growth of both green and leftwing (former Communist) parties fill the policy space that Social Democracy had relinquished. Both parties no longer lead their governments.«

Today that space is not only filled with left and green parties, but also with extreme right-wing parties. The Sweden Democrats, for instance, have their largest voter base among the working population, especially men. The pattern is the same all over Europe.

As the Social Democrats have become and still continue to be a »catch-all party«, they are working hard to gain trust from voters that support the Sweden Democrats. Instead of

¹ Johannes Karreth / Jonathan T. Polk / Christopher S. Allen (2012): Catchall or Catch and Release? The Electoral Consequences of Social Democratic Parties' March to the Middle in Western Europe, in: *Comparative Politics*, 46 (7), S. 791–822.

challenging the tax cuts and the acute problems in the welfare system, the party is now focusing on crime and migration policies, trying to appear tough on both. A similar development is evident among the conservative parties – the Moderates and the Christian Democrats – who keep moving closer to the Sweden Democrats at an even faster pace with their policy proposals and rhetoric.

Cas Mudde, a political scientist, wrote in the *Guardian* earlier this year, »By prioritizing immigration as an issue – and reinforcing the negative depiction of migrants and migration – mainstream parties only help to boost the main issue and frame of the populist radical right.« He continues, »Moreover, populist radical right voters are not only nativist, they are also populist, which explains why the ›immigration realism‹ of Social Democratic parties is ultimately not effective.«²

His point is that if progressive parties push for tougher immigration and integration policies to win working-class voters who oppose immigration, they will eventually fail, as most of those voters believe that mainstream parties – especially the Social Democrats – cannot be trusted. Hence, mirroring right-wing populism will only make matters worse. In Sweden, this strategy is paving the way for a victory of the conservative right and the far right in the election of 2022.

CONCLUSION

One year after the signing of the January Agreement, which set out the government programme of the Social Democratic and Green minority coalition government, the Social Democrats are suffering. In the meantime, their ratings in the polls are lower than their historically poor 2018 election performance and they are second place, following the Sweden Democrats. There is some irony in this result, as the January Agreement was specifically designed to keep the right-wing populists out of office and to reduce their influence on Swedish politics. Nevertheless, the Sweden Democrats has steadily gained in approval ratings. Furthermore, in an attempt to benefit from this momentum, the conservative opposition parties have left their previous positions of non-cooperation and are increasingly prepared to cooperate with the Sweden Democrats.

Additionally, the supporting liberal parties of the January Coalition have enforced their policies of market deregulation and liberalisation upon the Social Democrats, leading to a confusing party profile and alienating many of the party's voters and supporters. As a result, a discussion in the Social Democratic Party has ensued, with voices demanding the party to take up similar positions to the Sweden Democrats on issues such as immigration. However, the success of such a strategic policy shift it is more than questionable.

If the left in general, and Social Democrats in particular, wants to survive as a political movement, it must provide a plan for addressing the growing economic social inequality in the aftermath of the 2008 financial crisis. No one should ever doubt that the party is on the side of working people. Yes, the world is constantly changing, but some struggles never lose relevance.

² Cas Mudde (2019): Why copying the populist right isn't going to save the left, in: *Guardian* (14.5.2019), <https://www.theguardian.com/news/2019/may/14/why-copying-the-populist-right-isnt-going-to-save-the-left> (5.12.2019).

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DOING THE RIGHT THING?

Sweden's January Agreement one Year on



In the 2018 general election, no political group or party won an outright majority. The Social Democrats, Sweden's largest party slumped to their worst result ever. The far-right Sweden Democrats – a party that up to the early 1990s was controlled by outright Nazis – came in third out of eight major parties.



Since none of the traditional government blocks could reach a simple majority, Prime Minister Stefan Löfven retained a red-green minority government by making an agreement with the two liberal parties and signing a 73-point declaration of intent that is heavy on economic liberal policies, such as lower taxes and weaker employment protection legislation.



The Social Democratic Party is not only implementing these policies from the agreement but are also focusing on migration issues, believing this strategy will make the Sweden Democrats less popular. But we are witnessing the opposite. The Sweden Democrats are leading the polls.

Further information on the topic can be found here:

<https://www.fes.de/referat-westeuropa-nordamerika-und-japan>