Sweden's political crisis: How we got here and what's next

Sweden is facing a political crisis after the country's Prime Minister, Stefan Löfven, lost a vote of no confidence on 21 June. **Magnus Blomgren** writes that with few obvious solutions, a new election is the most probable outcome.

Historically, Sweden is known for its stable parliamentary system – even though the country's constitutional design indicates otherwise. Sweden's 'negative parliamentarism' and numerous minority governments might appear at first glance to be a recipe for regular political crises. However, this has not been the case, and very few Swedish governments have failed to serve their full term.

There was therefore widespread surprise in international media when Sweden's Prime Minister, Stefan Löfven of the Swedish Social Democratic Party, lost a vote of no confidence on 21 June. Indeed, this was the first time this has ever happened in Swedish politics. The country is now left facing a period of political turbulence which has no obvious solution.

The roots of the crisis

The balance between the left and right in Swedish politics has shifted fundamentally over the last ten years, as in many other European countries. This has largely been the result of a swing to the right among the electorate and the entry of the radical right Sweden Democrats into parliament in 2010.

The Sweden Democrats, who articulate a clear anti-immigration platform and have their historical roots in the Swedish extreme-right, have since become the centre of the country's political debate. Following the last Swedish general election in 2018, when the party finished in third place, this has been accentuated even further.

In the 2018 election campaign, all of the other main political parties promised not to negotiate with the Sweden Democrats. This made the government formation process extremely complicated given the number of seats won by the party. After 134 days, a minority government was formed by the Social Democrats and the Green Party.

A fundamental condition for the new minority government was the so-called 'January agreement' between the Social Democrats, the Green Party, the Liberals, and the Centre Party. The Liberals and the Centre Party signed up to this agreement to avoid the Sweden Democrats being included in any form of government. The price was that the former centre-right alliance between the Moderate Party, Centre Party, Liberals, and Christian Democrats, which had governed Sweden between 2006 and 2014, was torn apart. While the Liberals and Centre Party signed the new agreement, the Moderate Party and the Christian Democrats remained in opposition.

To make things even more complex, passive support from the Liberals and the Centre Party was not enough for the new government. It also needed support from the Left Party, which was not invited to the negotiations over the January agreement. Indeed, in the agreement it is clearly stated that the Left Party shall be denied any kind of political influence during the entire parliamentary period. This aspect of the agreement, which was later termed the 'humiliation clause', presented obvious challenges for the Left Party. More problematic still was that the agreement also listed several liberal reforms that contrast sharply with the Left Party's position.

Still, the party accepted the new government since all other alternatives would have been worse. At the same time, the Left Party drew the line at two reforms listed in the agreement. The first concerns (in short) specific rules on the labour market and the second concerns reforms to Sweden's rental market. The party clearly indicated that if the government attempted to implement these reforms it would withdraw its support.

This is what led to the current crisis. In accordance with the agreement, the government pushed for legislation that would reduce the power of the Swedish tenants' association (*Hyresgästföreningen*) to negotiate the rent of tenants in newly built properties. For critics of the reform, this legislation would lead to an increase in rent for millions of tenants and strengthen the power of landlords during rent negotiations.

Consequently, the Left Party issued an ultimatum: abandon the proposal or the party would withdraw its support for the government. A game of 'chicken' followed, and it is safe to say the government did not expect the Left Party would ultimately vote against the government together with the right-wing conservative parties. Yet, this is exactly what happened.

What next?

After the vote of no confidence, the Prime Minister had two options: either to resign and let the speaker of the parliament start a process to identify a new Prime Minister, or to call a new election. He went for the first option. One important reason is that even if a snap election were to be held in Sweden, an ordinary election would still be scheduled for September 2022. To arrange two national elections within a year is not an attractive proposition for any party. At the same time, this might still be where Sweden ends up. The speaker has four chances to propose a new Prime Minister and if none of these candidates are tolerated by the parliament, a new election will automatically be called.

Currently, the speaker of the parliament is trying to see if any party can adjust its position and thereby enable a new government to be formed. However, the prospects of succeeding in this effort appear marginal at best. Since the 2018 election and the signing of the January agreement, the positions of the parties have changed dramatically.

The Liberal Party has decided it will not accept the continuation of a social democratic government and supports a right-wing conservative alternative. The problem is that such a right-wing government would need support from the Sweden Democrats. Despite their previous promise to voters not to negotiate with the Sweden Democrats, the Moderate Party, Christian Democrats, and the Liberal Party have altered their positions. During this parliamentary term, a new conservative right-wing 'bloc' has effectively been formed in the parliament, with a far more critical stance on migration and a harsher approach to law and order (among other things). This is a distinctly new approach for Swedish politics.

The other party in the former right-wing alliance, the Centre Party, has maintained its critical view toward the Sweden Democrats and still argues that it will not tolerate a government based on its support. At the same time, the Centre Party does not want any form of cooperation with the Left Party. This means that there is not enough support for a government on the left side of the political spectrum. In other words, there is currently no obvious government alternative if none of the key parties change their positions.

This situation makes a new election the most probable outcome. Yet, since this is not the most preferable result for any of the parties, it is possible that some kind of temporary peace or compromise might be negotiated, at least until the next ordinary election in September 2022. Either way, voters will soon have their say on the fundamentally new political situation that now exists in Sweden.

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