# Iceland's election: The Pirates failed to live up to expectations, but this was still a landmark result

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Iceland held elections on 29 October which were called after the country's government was caught up in the Panama Papers scandal earlier this year. Benjamin Leruth assesses the results, noting that the Pirate Party, who had at one stage led the polling, failed to live up to expectations by finishing with the third highest vote share. Nevertheless, the election underlined the change in the Icelandic party system that has occurred since the financial crisis and could potentially reignite the country's debate over its relationship with the EU.



On 29 October, Iceland held an early and highly anticipated election following the Panama Papers scandal. The election attracted substantial interest from international media, as polls had consistently shown that the Icelandic Pirate Party would make significant gains and possibly become Iceland's largest political party.

The Pirate Party, who are particularly popular among voters under 40, have been polling consistently high since 2015, and reached a peak in April 2016 with 43 per cent of support. In the end, however, they finished with the third highest vote share (14.5 per cent of the vote) and the joint-second highest share of seats, while the Independence Party, which had participated in the previous government, came out first on 29 per cent.

## Iceland: From the financial crisis to the 2016 elections

Iceland faced a deep financial and economic crisis in October 2008. This triggered the peaceful 'pots and pans revolution' as Icelanders took to the streets and elected the first left-wing government in Iceland's history, consisting of the Social Democratic Alliance and the Left-Green Movement. New protest and reformist movements also emerged, with the now defunct Citizen's Movement entering parliament. One of the key decisions made by this government was to submit an application for European Union membership in 2009.

Yet, the government failed to meet expectations, and was voted out in the 2013 parliamentary elections when a traditional conservative coalition government (consisting of the Progressive Party and the Independence Party) was elected, while the Pirate Party and another new party, Bright Future, entered Parliament with three and six seats respectively. Despite a strong economic recovery, this government took a series of extremely unpopular decisions, such as discontinuing accession talks with the European Union without calling for a referendum on the issue, and halting the process of constitutional reform. As a result, public distrust in the government increased, and from early 2015 onwards opinion polls indicated that the Pirate Party could become a major political force in the country.

With the involvement of (now former) Prime Minister Sigmundur Davíð Gunnlaugsson of the Progressive Party in the Panama Papers scandal, public distrust in the government reached a tipping point. This led to a week-long protest where 10,000 to 23,000 people called for the government to resign over the scandal. This made it extremely likely that the government would call for early elections, due to pressure from the population and opposition parties. After weeks of negotiations and disputes, the government eventually agreed to call the elections held on 29 October.

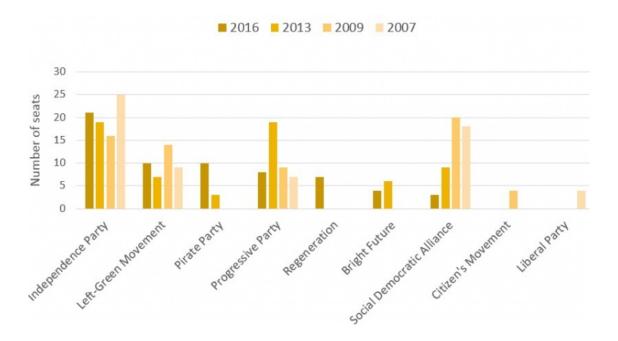
## The campaign and the results

The election campaign was rather unusual by Icelandic standards. One week before the elections, the Pirate Party started pre-election talks with the three other opposition parties (the Left-Green Movement, the Social Democratic Alliance and Bright Future) in order to propose a reformist, anti-government alliance. A statement was released on the Thursday before the vote confirming that the four parties believed they could offer a viable alternative to the

current government.

Regeneration (*Viðreisn*), a new green-liberal and pro-EU movement which split from the Independence Party and polled around 10 per cent the week before the election, refused to take part in any pre-election talks, preferring to analyse the situation after the results became clear. Accordingly, this election was all about 'bloc politics' with the existing government on the one hand, and the opposition parties on the other hand. By keeping their options open, Regeneration placed themselves as potential kingmakers in subsequent coalition negotiations.





Note: For more details on the 2016 results, see here.

The results indicate a large victory for the Independence Party, gaining a total of 29 per cent of votes and 21 seats (+2 compared to the 2013 election). Following a last-minute surge in popularity, the Left-Green movement became the second largest party with 15.9 per cent of votes and 10 seats (+3 compared to 2013). The Pirate Party could not secure more than 14.5 per cent of votes and 10 seats (+7 compared to 2013). This was a major surprise as the Pirate Party had been consistently polling above 15 per cent since February 2015, and Icelandic opinion polls tend to be fairly reliable. One reason (though this needs to be confirmed) could be that younger voters did not vote.

In contrast, the Progressive Party was the expected loser of the election with 11.5 per cent and 8 seats (-11 compared to 2013), mostly as a result of the Panama Papers scandal and the unpopularity of their former leader Gunnlaugsson. The Social Democratic Alliance also endured significant losses, securing only 3 of the 9 seats they gained in 2013. As a result, the alternative coalition proposed by the Pirate Party did not receive enough seats to get a majority and thus to form a government. It should also be noted that among the 63 elected members of the parliament, 30 are women, which is a major victory for gender equality.

#### What now for Iceland?

Five conclusions can be drawn from this election. First, the result shows that the Icelandic political "big bang", which started following the 2008 financial crisis, is far from over. Mainstream parties such as the Social Democratic Alliance and the Progressive Party had significant losses, while three relatively new political movements (the Pirate Party, Bright Future and Regeneration) gained one third of the seats available.

Second, the existing coalition government is now dead and buried, which means that forming a government might

be extremely tricky for Bjarni Benediktsson, the current leader of the Independence Party. A minimum of three parties will be needed to secure a majority, and the least likely coalition would include an alliance between the Independence and Pirate parties, therefore the Pirates could become the main opposition party. Third, the results could be significant with regards to Iceland's relationship with the European Union. Parties such as the pro-direct democracy Pirates and the pro-EU Regeneration both want to hold a referendum on continuing EU accession talks in the near future.

Fourth, turnout was the lowest since Iceland's independence in 1944, with just below 80 per cent of the electorate voting. Of course this remains high compared to other European democracies, but this relatively low turnout could indicate that public distrust in politics is continuing to grow in Iceland. Finally, the results show once again that there is no space for far right parties in the Icelandic political landscape, as the newly formed Icelandic National Front only received 303 votes (0.2 per cent).

While it is too early to predict which political parties will form a coalition government, it is clear that this election has provided another shockwave in Icelandic politics. There will be a new coalition government under a new Prime Minister, and new political movements will certainly play an important role in coalition talks. Even though their results might appear disappointing, the Pirates seemed happy to be joint second in terms of seat numbers, which will obviously increase their influence. Yet, the unexpected winners of this election may be Regeneration, which could enter any number of possible coalitions and potentially reactivate the EU issue in Iceland.

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