

European
Elections monitor

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ANALYSIS
1 month before
the poll

Should we be scared by the 'True Finns'?

Just over 4 million Finns are being called to vote on 17th April next to renew the 200 members of the Eduskunta/Riksdag, the only Chamber in Parliament. 2,200 people are standing in the election. In all 38 outgoing MPs - +11 in comparison with the general election on 18th March 2007 - chose not to stand again.

The economy and immigration are due to be the main themes in the upcoming electoral campaign. But undeniably the question at the heart of the election focuses on the result achieved by the "True Finns". After Hungary and the Netherlands will Finland be the next country to see a populist party make an electoral breakthrough and even - in the wake of Austria and Slovakia - enter government?

Should we be afraid of the "True Finns"

1. A breakthrough expected

At present the populist party "True Finns" is credited by the latest polls with around 15% of the vote and is due to make an electoral breakthrough on 17th April. Their leader Timo Soini maintains that he can win 15 seats in Parliament ie +10 at present. This result (constantly rising since the start of 2010) should enable his party to take part in negotiations to form the next government. Timo Soini said he was interested in the Economy, Employment, Interior and Defence portfolios. "The meaning and aim of a political party is to enter government to exercise power. This is also our goal," he declared. Apart from the Greens, Timo Soini said he was ready to cooperate with all political parties. "The Social Democrats, the Conservative Assembly and the Centre Party are possible government partners, I have no preference," he said. However he has set one condition for any participation by his government: the scrapping of a clause in the Constitution that stipulates that Finland is a member of the European Union (the text has just been approved by the Parliament 144 votes in favour, 26 against but which still has to be approved by a 2/3 majority in the next Parliament if it is to be finally adopted). "Belonging to the EU must not be protected by the Constitution," repeats Timo Soini. This condition may prove to be a serious obstacle: constitutional reform is the focus of a

consensus amongst the Finnish political parties.

The idea of a cordon sanitaire (an alliance of government parties that aim to prevent an extremist party entering office) does not exist in Finland. "The True Finns may take part in the next government like the Social Democratic Party and the Centre Party," declared Jyrki Katainen, leader of the Conservative Assembly and present Finance Minister. Prime Minister Mari Kiviniemi also said on 3rd March last that she was "ready to cooperate in government with any political party with whom she might find an agreement on a government programme," and that "she did not exclude cooperation with the "True Finns". The Rural Party (SMP) which gave rise to the "True Finns" also participated in the Finnish governments from 1983 to 1990. People who vote for "True Finns" are divided over which party they would prefer to see in government: 48% approve of an alliance with the Centre Party and 49% with the Social Democratic party depending on the poll.

Another sign of acknowledgement which the party enjoys is that on 31st March Timo Soini will appear in a pre-electoral TV debate that had been reserved until now for the "3 major parties" organised by the national channel Yle.

2. Who are the "True Finns" in fact?

The party is undeniably populist in nature: it criticises the elites believed to be incompetent, corrupt and deaf

to the problems of the people; it challenges the established order and exalts the people; it promotes everything national and is hostile with regard to the EU and globalisation; it is determined to restrict or stop immigration from poor countries and rejects multi-ethnic society denounced as the cause of social dysfunction.. The "True Finns" have thrived on the political parties' financial scandals, the denunciation of the government's European policy (notably with regard to the aid granted to Greece and Ireland) and on the question of immigration. They voted against Helsinki's funding of aid plans to Greece, with which the Social Democratic Party also agreed –traditionally an extremely pro-European party. Timo Soini's party is asking Helsinki to reduce its contribution to the Union, to place its veto on any increase in the present total of the European Financial Stabilisation Fund and it wants to create a euro area "reserved" for the Member States with an AAA credit rating (for example Finland and Germany). Timo Soini wants to exclude the countries from the southern part of the European Union from the Economic and Monetary Union (EMU). "Cooperation, yes, but the creation of a Federal State or the United States of Europe, never. I will never vote in support of saving a State," he declared.

The "True Finns" are a "workers' party without the socialism" mixing a leftwing economic programme with a far right social policy. In the Eduskunta/Riksdag they sit in the centre placed between the Greens and the Centre Party. Although across Europe, the populist parties have understood the need to maintain a discourse which is both social and protectionist and to set themselves as defenders of a strong Welfare State, this position is new to the "True Finns" who, like the Rural Party of Veikko Vennamo (aka the Forgotten Party) which they took over from, have always defended the weak, the unemployed, the workers, the excluded, single mothers and small entrepreneurs. They campaign for a strong Welfare State – the only one which is able in its opinion to guarantee the economic security of the weakest citizens. At the beginning of the 2000's the True Finns were already accusing the left of having abandoned the weakest citizens and campaigned for a hefty reduction in income tax on the lowest wages believing that an increase in purchasing power of the poorest would make it possible to reduce applications for social aid mid-term. Their predecessor the Rural Party was already qualified

as "non-socialist leftwing party". Denouncing immigration as a threat that weighs both on the host country's identity and on its prosperity, the "True Finns" suggest that social protection should only be offered to nationals and are asking for a reduction in social aid granted to foreigners. "A foreigner with a residence permit is not comparable to a Finn," declared Timo Soini.

Against marriage between people of the same sex or adoption by homosexual couples, the populist party defends the traditional family that is close to that of the Christian Democratic Party with whom it made an alliance in the most recent European elections on 7th June 2009. The "True Finns" challenged the "Greens" with regard to the issue of homosexual rights which was the focus of public debate in autumn 2010.

The "True Finns" electoral programme that was written by a group of 14 people chaired by Vesa-Matti Saarakkala advocates the defence of an "homogeneous, Finnish culture. "The True Finns have been the best in transforming the public's scepticism with regard to the issue of immigration into popular support but they are not the only ones to have held a discourse that challenges the reception of populations that come from abroad," declares political analyst Jussi Foerbmom.

The party has made the presence of some 10,000 Somali refugees is the focus of political debate. It refuses however to be qualified as racist whilst it recalls that immigrants must respect the laws of the country where they live. "I feel extremely offended when my party and myself are qualified as racist. It is an unfair opinion which goes against what I believe in," says Timo Soini. Finland was homogeneous for a long time welcoming people from neighbouring countries (Sweden, Estonia). The country now hosts 155,000 people who were born abroad ie 3% of its total population, the lowest proportion in the entire EU.

"The vote in support of the True Finns is a protest vote. The government parties seem disconnected from reality. People want someone to listen to them and take them seriously," indicates the sociology professor Risto Heiskala. The "True Finns" are not part of the far rightradition as represented by the Austrian Liberal Party (FPÖ) or the French National Front (FN). Although the personality of Timo Soini is a key element of his party's success (few of its executives are known to the public), he is not a leader comparable to Jörg Haider, Jean-Marie Le Pen or Geert

Wilders (Freedom Party, PVV) in the Netherlands. The "True Finns" do not share the rejection of Islam with the latter either. "Compared to the European far right, the party's rhetoric is much more conciliatory," says Miikka Pyykkonon, professor at the University of Jyväskylä. The "True Finns" attract voters from all of the other political parties. According to Jari Pajunen, Research Director at the Taloustutkimus Institute, out of 100 "True Finn" voters 50 have already voted for this party, 10 were former Centre Party voters, 10 former Social Democrat proponents, 8 from the Conservative Assembly, 5 from the Left Alliance and 17 had not voted until now. 2/3 of its electorate are poorly qualified men, victims of factory closures and people who have lost their job in the wake of the economic crisis.

3. An irresistible rise?

The breakthrough of the "True Finns" comprised the event in the most recent local elections on 26th October 2008. The populist party won 5.4% of the vote (442 local councillors) but 10% of the vote (+9 in comparison with the previous election) in Vantaa, a suburb of Helsinki and six seats. They also won four council seats in Helsinki. "The nightmare has now arrived here," analysed political expert Tuomo Martikainen at the time who added "people are dissatisfied and deplore the fact that some serious problems are not being settled." "Xenophobia is now organised affair in Finland" says Pasi Saukkonen, a researcher at the Foundation for Cultural Policy adding that for a long time Finland had been an anomaly in Europe because of the weakness of its far right.

The populist party confirmed its European Election result of 7th June 2009 in which it won 9.8% of the vote thereby becoming Finland's fourth most important party. As in the local elections, Timo Soini was the candidate to have won the greatest number of votes in that election.

The Affair of Political Party Funding and the Fall of Matti Vanhanen

The affair of political party funding ended in the resignation of the Prime Minister (2003-2010) Matti Vanhanen (KESK) in June 2010. It started in April 2008 when the media revealed that businessmen (builders of shopping centres or industrial estates) had financed at least 53

political leaders mainly from the Centre Party and the Conservative Assembly; nearly all of them were elected and 7 became ministers. On 27th January 2007 ie two months before the general elections the press revealed that the head of government Matti Vanhanen had organised a meeting on electoral funding in which the secretary of the Centre Party, Jarmo Korhonen and leaders of the company Nova Group took part. The newspapers revealed that Arto Merisalo (Nova Group), the leader of the group of businessmen was in contact with Matti Vanhanen as the government was being put together and in which he managed to secure posts for his favourites. The Prime Minister who said he did not know these businessmen found himself at the heart of the scandal. He was accused by the opposition of having benefited from illegal funding for his general election campaign on 17th March 2007; the State TV channel Yle accused him of having received aid in kind for himself. Several members of his party were also involved in the scandal and accused of having received money from the Nova Group. In August the press made further revelations whereby the Conservative Assembly was said to have received 75,000 € (as well as a second payment of 50,000€) from Björn Walhroos, General Director and Administrator of the Insurance Group Sampo – which is 14% owned by the Finnish State. Other companies partly owned by the State then said they had made donations to several political parties.

Already under fire Prime Minister Matti Vanhanen was accused of having infringed the law by taking part in the decision to grant subsidies of around one million € to the association Raha-automaattiyhdistys (Ray) between 2006 and 2009. This organisation holds a monopoly over the casinos and one-armed bandits in Finland and devotes some of its profits to social organisations including the Centre Party's foundation Nuorisöäätio, which funded Matti Vanhanen's campaign in the presidential election to a total of 23,000€ on 15th and 29th January 2006. The head of government defended himself saying he had committed no crime and said he refused "to take the blame for practices that had been in use for years." Antti Kaikkonen, chair of the Nuorisöäätio Foundation and MP for the Centre Party resigned from his post, with Jukka Vihriälä, chair of the Ray Association and MP for the same party followed suit in September 2009. Matti Vanhanen finally resigned as chair of the Centre

Party (12th June 2010) then from his post as Prime Minister (22nd June) officially because he was about to undergo an operation on his leg. He was replaced in this two posts by Mari Kiviniemi. The latter was elected as head of the Centre Party in the second round of voting with 56% of the votes ahead of Trade and Industry Minister, Mauri Pekkarinen (44% of the vote). The Constitutional Affairs Committee, responsible for looking into the cogency of the accusation against Matti Vanhanen, (which could lead to the launch of a preliminary inquiry by the Chancellor and the Prime Minister's appearance before the High Court of Justice) recently rejected this question believing that even if the former Prime Minister is at the heart of a conflict of interest conditions are not met to take him to the High Court. The financial scandals revealed by the media deeply shocked the Finnish. *"People are saying that voting serves no purpose and that money can decide everything. We are the least corrupt country in the world, we are proud of this and yet we still have a great amount of work to do,"* analyses Timo Soikkanen, professor of political science at the University of Turku. According to a poll 44% of the Finns believe that Matti Vanhanen has committed some shameful acts and 43% believe he should be brought before the High Court of Justice.

The Start of the Electoral Campaign

Prime Minister Mari Kiviniemi has started work to win back the centrist electorate and notably the rural voters a significant share of whom joined the "True Finns" in the last elections. She is using the results of the work undertaken by her government as a base. Finland entered recession in the second quarter of 2008, in February 2009 Matti Vanhanen's government launched a recovery plan focused on infrastructures and the support of research and development programmes. After an 8.1% contraction in its GDP in 2009 the country recorded growth of 3.1% in 2010 and is counting on 2.9% this year. Growth is derived from exports that increased by 5.7% in 2010 (with a planned rise of 6.9% in 2011), from domestic consumption (+2.8% in 2010), investments (+3.1% last year and +6% planned in 2011) but also because of the rise in industrial production. The State deficit decreased by 10 billion € in 2010 and is due to decrease by a further

8 billion € this year. Two points overshadow these results however: the unemployment rate (11.8% in January) is still high and the inflation rate (3% in January 2011) which is due to rise to 2.4% this year.

The tax system is one of the vital issues of the pre-electoral debate. The Centre Party and the Conservative Assembly support a rise in VAT (except on food and medicines) and a reduction in business tax, two measures which the Social Democratic Party and more widely the parties on the left are against. Moreover the conservatives want to reduce income tax contrary to the centrists. The issue of the obligatory teaching of Swedish, an official language in the country's schools since 1919 just like Finnish has now entered the debate. Finland is home to 275,000 Swedish speakers ie 5.5% of the population who mainly live on the country's south and west coasts. They are the descendants of Swedish settlers who colonised the provinces of Uusimaa, Turunmaa and Ostrobothnia from the 12th century on. This minority has its own education system (ranging from nursery school to university) and media. Moreover programmes in Swedish represent a tenth of airtime on two State TV channels (Yle). Most Swedish speakers traditionally vote for the Swedish People's Party.

Prime Minister Mari Kiviniemi has suggested the replacement of Swedish with Russian lessons in the schools in the East of Finland. Nils Torvalds, the Deputy Chair of the Swedish People's Party suggested that the obligatory teaching of Swedish be abandoned in schools. The "True Finns" are the only ones to ask for the total abolition of the obligatory lessons in Swedish and the reduction in programmes in Swedish on State television.

Finland is also home to 8,000 Sami 1,000 of whom live in the Helsinki area (they also represent half of the inhabitants of the communities of Inari, Utsjoki and Sodankylä). This minority enjoys cultural and linguistic autonomy and has elected a parliament of 21 members (with a four year mandate) since 1996. The Sami feel that they are not acknowledged by the Finnish government as they are by the Norwegian and Swedish authorities, countries in which their population is far greater than in Finland (80,000 and 20,000 respectively).

Finally the Aland Islands, an archipelago that lies between Finland and Sweden is home to a population of 25,000 Swedish speakers who have enjoyed a specific administrative status of Free Associated State

since 12th October 1951. The islands' institutions legislate in education, healthcare, security, culture etc. In 1995 the EU granted the demilitarised area of Åland a dispensation to remain out of the EU customs union. Since 1922 they have had their own government and parliament (Ålands lagting or Lagtinget) which comprises 30 MPs. The Åland Islands constituency has just one seat in the Eduskunta/Riksdag.

The Finnish Political System

The Eduskunta/Riksdag, (the Finnish and Danish names for the Parliament) comprises 200 MPs elected every four years by proportional voting according to the Hondt method. Finland is divided into 15 constituencies. The number of MPs elected depends on the number of inhabitants in each of the latter (except in the Åland 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 2007 this number varied between 6 (North Karelia and South Savo, both lying to the east of the country) to 34 (Uusimaa). Finnish voters choose both a party and a candidate. A specific feature of this country 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 who 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 80 women ie 40% of the total number of MPs. With regard to the number of women in parliament Finland lies 3rd in the European ranking (and 7th on a world scale) behind Sweden, 45%, and the Netherlands 40.7%. It is the leading country of the 27 EU Member States with regard to women's inclusion in government.

Moreover Finland is specific in that it is governed by two women at present. The President of the Republic Tarja Halonen (Social Democratic Party, SDP) was re-elected in 2006 (date of the 100th anniversary of voting rights and eligibility for Finnish women, the first to have won these rights in Europe) and Prime Minister Mari Kiviniemi (KESK), in office since 22nd June 2010. Her government brings together the Centre Party, the Conservative Assembly, the Greens and Swedish People's Party. The government comprises 13 ministries and a maximum of 18. The MPs appointed to the ministries retain their seat in Parliament and thereby have two mandates.

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

- the Centre Party (KESK), of Prime Minister Mari Kiviniemi, successor to the Agrarian Party founded in 1906; it lies to the right of the political scale. The KESK has taken part in nearly half of the governments (34 out of 68) and has 51 seats;
- the Conservative Assembly (KOK), is a party that was founded in 1918. It has been led since June 2004 by the present Finance Minister Jyrki Katainen, who has often been compared to the present Swedish Prime Minister Fredrik Reinfeldt (Moderate Assembly Party, M). The KOK has 50 MPs;
- the Social Democrat Party (SPD), created in 1899 under the name of the Workers' Party of Finland has been led since June 2005 by Jutta Urpilainen has 45 MPs.
- 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 Greens (VIHR), led by present Labour Minister Anni Sinnemäki; it has 15 seats;
- the Swedish People's Party (SFP), represents the interests of the Swedish minority and is led by Stefan Wallin with 9 seats;
- the Christian Democrat Party (SKL), founded in 1958 and led by Päivi Räsänen. It has 7 seats;
- the True Finns (PS) arose from the Rural Party (SMP) in 1995; the latter was created by Veikko Vennamo in 1959. Led by Timo Soini it won five seats in the general elections on 17th March 2008 but now has six since it was joined mid-term by Centre Party MP Markku Usipaaval-

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niemi.

For nearly 30 years three parties almost equal in size have shared 2/3 of the votes in the national Finnish elections in a balanced manner.

According to the latest poll by the institute Taloustutkimus and published by the TV channel Yle, the Conservative Assembly is due to win the election on 17th April with 20.9% of the vote ahead of the Centre Party which has suffered because of the funding scandal (several of its members have been charged in this affair), and which is due to win 18.9% of the vote and the Social Democratic Party 17.5%. These three parties are however under threat from the "True Finns" credi-

ted with 16.9% of the vote (the party won 5% of the voting intentions in the summer of 2008 and 10% in May 2010). There are still a great number of undecided voters however and there will therefore be decisive in terms of the election result. Around 65% of Finns say they will turn out to vote.

More than a quarter of Finns (28%) want to see the leader of the Conservative Assembly Jyrki Katainen appointed as Prime Minister, 22% want the present head of government Mari Kiviniemi to stay in office, 14% approve of Timo Soini and finally 8% would like Social Democrat Jutta Urpilainen to be appointed to this post.

Reminder of the Election Results on 18th March 2007 in Finland

Turnout: 67.90%

Political Parties	No of votes won	% of votes won	No. of seats won
Centre Party (KESK)	640 428	23,10	51
Conservative Assembly(KOK)	616 841	22,25	50
Social Democratic Party(SPD)	594 194	21,44	45
Left Alliance(VAS)	244 296	8,82	17
Greens (VIHR)	234 429	8,46	15
Swedish People's Party (SFP)	126 520	4,57	9
Christian Democratic Party (SKL)	134 790	4,86	7
True Finns (PS)	112 256	4,05	5
Communist Party (SKP)	18 277	0,66	0
Senior Citizens Party (SS)	16 715	0,60	0
Åland	12 588	0,45	1
Independence Party (I)	5 541	0,20	0
Blue-White of the Finnish People (SKS)	3 913	0,14	0
Liberals(L)	3 171	0,11	0
For the Poor	2 521	0,10	0
Communist Workers' Party (KTP)	2 007	0	0
Workers' Party (ST)	1 764	0	0
National People's Movement of Finland	821	0	0
Common Responsibility Party	164	0	0

Source : Finnish Statistics Office (http://tilastokeskus.fi/til/evaa/2007/evaa_2007_2007-03-22_tie_002_en.html)

Will the 'True Finns' soon enter the government?



2,315 candidates, 39% of whom are women are standing in the general elections on 17th April in Finland. Amongst the parties represented in the Eduskunta/Riksdag (Finnish and Swedish name of the Parliament), the Greens (VIHR) are the only ones to be putting forward more female candidates than male. The Justice Ministry has created a group on Facebook on the general elections to encourage young people to vote. According to a poll by Helsingin Sanomat, three-quarters of young people aged 18-28 are going to vote. 67.9% of them voted in the last general elections on 18th March 2007. The Welfare State, inequality and unemployment are themes which mobilise young voters most. The Justice Ministry is also organising debates on the election for immigrants who now have Finnish nationality. Their number has increased by 40% in comparison with the previous general election and they now represent 1% of those registered. Early voting will be allowed between 6th and 12th April; 40% of the

Finnish vote this way.

Will the "True Finns" be the first Populist Party to enter government in a country in Northern Europe?

Over the last few decades Finland was specific in that it had 3 parties of almost equal strength: the Centre Party (KESK) and the Conservative Assembly (KOK), on the right of the political scale and the Social Democratic Party (SPD) on the left. This three-way split is now coming to an end. "*Citizens no longer really distinguish the differences between the three parties which are all very similar,*" declares Tuomo Martikainen, a professor at the University of Helsinki. "*It can no longer be taken for granted that the Conservative Assembly will win the elections. There are now four parties (KESK, KOK, SPD and the True Finns (PS)) who each have a chance of becoming the biggest,*" analyses Sami Borg of the University of Tampere. Finland has never had any real opposition party. By increasing their credibility over the years and successive elections the "True Finns" have filled in the gap. "*Timo Soini has broken from the traditional rhetoric which people now hate. He has succeeded in addressing traditional values and reaching the poorest,*" stresses Tuomo Martikainen. The populist leader has managed to build up an image of being a man of the people and a defender of the "poor" against the establishment

Moreover further rifts have emerged in Finnish society over the last few years. The integration of immigrants with different cultures; homosexuality, Finnish values

of society, and even the obligatory learning of Swedish (the country's second official language) are now issues as valid as any other in the political debate. Thousands of Finnish have left the Lutheran Church in protest against an on-line homophobic campaign. 78.2% of Finns are members of the Lutheran Church.

The Finnish Business and Policy Forum (EVA) undertook a survey at the beginning of 2011 on Finnish values and attitudes. The study which takes place every two years reveals that the Finns have become more critical about the decision making process and also about political parties; their attitudes with regard to foreigners has hardened. 40% say none of the political parties is interested in real problems, 78% believe that the political parties stand at a distance from people's problems; this is 8 points more than two years ago. "*The protest cry is on the rise. Paradoxically however Finns are increasingly interested in politics. According to a poll 56% are interested in (they were 51% 2 years ago) due to the general elections and the increasing popularity of the True Finns*" analyses Ilkka Haavisto, Research Director at EVA.

Several extremist parties have already existed in Finland: far left in the 1930's and far right in the 1970's 1980's. Voters and the political classes believe that the True Finns are a credible political party and (almost) like the others. The fact that it has no neo-Nazi past explains this situation in part. The other parties think that if it enters government Timo Soini's party will suffer the same fate as that of the Rural Party (SMP) led by Veikko Vennamo, a member of the government coalition between 1983 and

1990, which was unable to keep its electoral promises; its experience in power led to its demise.

The European Union, a split in the Finnish political arena

The "True Finns" already clinched one victory in 2011 in that they set the electoral agenda. The reception and integration of immigrants as well as the EU are major themes in the electoral campaign. The Populist Party was the first to take advantage of the theme of immigration but it was not the only one to talk about it. All of the parties have hardened their attitude with regard to this over the last few years. *"The True Finns do not have a monopoly over the anti-immigrant rhetoric. This has been mentioned in Parliament for a long time amongst MPs in most parties, but they have not turned it into an electoral argument,"* declares Jussi Förbom, a political scientist. Hence Tapani Tolli a KESK MP, said that the (generous) social system in Finland is attracting immigrants and has asked his party to give up granting residency on humanitarian grounds. Kari Rajamaeki, an SPD MP demanded greater control over immigration. *"The "True Finns" are authoritarian, support the family, law and order and are against immigration. From this point of view they are on the far right,"* analyses Anders Hellström, a political analyst who adds, *"These parties are no longer marginal. They are established, they are now part of the dominant trend."* The other parties can no longer afford not to take position with regard to these issues put forward by the "True Finns" by saying that they are unfounded or by neglecting the protest vote.

Timo Soini deplors the fact that criminals have a high level of legal protection that foreigners who have committed crimes are not thrown out more often and he often questions the annual quota of refugees. The party's Vice-President Veli-Matti Saarakkala has said that no other country has a quota like this. He wants to reduce the social aid paid out to foreigners who have obtained a residence permit.

There are 155,000 people in Finland of foreign birth, i.e. 3% of the population but their increasing number is the source of concern in a country that until now was homogeneous. *"There are few foreigners in Finland in fact. But over the last few years more and more immigrants have come to work here and this is a major*

change," says Johanna Suurpää, a mediator responsible for minority issues. Finland relaxed its legislation enabling foreigners with a residence permit to work temporarily. In 2008 the number of asylum seekers rose from 1,434 to 4,035 people. Last year however the number from Iraq and Somalia fell by 50%.

Deindustrialisation, involvement of the political parties (KESK and KOK) in financial scandals, the debt crisis in Europe – these are the reasons which explain the rise of the "True Finns" in the polls.

But the present subject over which the Populist Party is successfully mobilising public opinion is the following: the euro area and debt crisis in Europe. The EU's present economic difficulties are a theme which find particular echo in a country in which euroscepticism has always been acute amongst one section of the population. Juhha Väättäinen, European 5,000m and 10,000m champion in 1971 and a "True Finn" member said that with the money paid to Greece Finland could build 20,000 new houses.

Prime Minister Mari Kiviniemi (KESK) has tried to reassure the voters who respond to the "True Finns" anti-European arguments by saying that the country's contribution to the European Financial Stability Facility (EFSF) will not be changed. Finance Minister Jyrki Katainen, the KOK leader has adopted a hard line in the face of Ireland's request to reduce the interest rate (5.83%) on the European part of the international loan that it was granted. However he admitted that if Portugal asked for European aid Finland would have to fulfil its commitments by subscribing to increasing the EFSF's loans guarantee. *"It is clear that we will have to increase the loan guarantees. Quite simply we don't know when that will happen,"* said Jyrki Katainen.

Finnish President, Tarja Halonen (SPD), has said that *"the good boys, like Finland and Germany were not supposed to be tomorrow's bankers (...) We are ready to protect the euro but everyone has to watch over its economy and fall in line with the rules."*

Because of hesitation by Finland and the refusal of the Parliamentary Committee for European Relations to grant the government the right to enhance the EFSF the final decision of the euro area heads of State and government on this issue has been suspended and will only be taken after the election day on 17th April. *"A great deal depends on the "True Finns" electoral per-*

formance and their readiness to make concessions with regard to their strict eurosceptic doctrine," said Blanka Kolenikova, an analyst with IHS Global Insight.

The political parties are divided over Finland's participation in the European Stability Mechanism (ESM) and in the EFSF. The KOK, the Greens, and the Swedish People's Party (SFP) support it. The KESK is a proponent of the European Stability Mechanism and is ready to approve doubling the EFSF if necessary. The SPD only accepts them if banks' responsibilities are taken on board; this heralds a hardening in its attitude since last summer it approved Finland's participation in the EFSF taking no account of private banks' responsibilities. The far left party, the Left Alliance (VAS), together with the Christian Democratic Party and the "True Finns" are against it.

The populists and the far left have common ground with regard to Europe. Annika Lapintie, the Left Alliance's group leader in parliament, like Timo Soini, says that the three main parties want to transform the EU into a federal union, an idea which they oppose. In March last the Left Alliance lodged a motion of censure against the government over Finnish guarantees. The first person to sign the motion, Paavo Arhinmäki, chair of the Left Alliance accused the government of having doubled Finnish guarantees. During the vote parliament renewed its confidence in the government 104 votes against 62.

The SPD, which is usually pro-European, voted against. "The SPD was a European party but now it is following the True Finns," declared Jyrki Katainen. Timo Soini qualified the SPD's opposition as political. "If the Social Democrats had been in government they would have voted like the others," he stresses.

Timo Soini has given up trying to obtain special conditions to guarantee his party taking part in the next government. In the first TV debate in the electoral campaign on 31st March he said that if the "True Finns" entered government they would oppose the European Stability Mechanism just as they would oppose any possible bail out for Portugal and an increase in guarantees. "We shall honour the commitments made by Finland. I mean we shall support Ireland and Greece. But no more (...) our aim is to make the Finns aware that the system has to be renegotiated. We do not want to socialise the debt. This will help to transfer

more national power over to the EU," said Timo Soini adding "Finland will not be thrown out of the euro area because of that."

Prime Minister Mari Kiviniemi immediately answered that in that case he could not even think about integrating the government coalition. Jyrki Katainen (KOK) said that if he were Prime Minister he would not accept a party that was against the European Stability Mechanism in his government. "So the Greens are the only party in power to enjoy certain privileges," stresses the populist leader recalling that the ecologists had been allowed to vote against nuclear energy although they were government members.

The Future of the Welfare State: key issues – taxation and redistribution

All of the political leaders support tax increases (1 to 1.5 billion €) but they differ over the solutions to give to the country's debt. Jutta Urpilainen (SPD) believes that the fiscal policy undertaken by the right has "ruined Europe's economy". She is critical about the "True Finns" programme which would mean an increase in the country's debt. The SPD wants to reintroduce a family allowance believing that in the end this would bring in 1.5 billion €. The Centre Party is totally against this believing that such an allocation is unfair and would only benefit the richest families. Prime Minister Mari Kiviniemi believes that the SPD's fiscal programme would be a "burden for business" and would lead to the destruction of thousands of jobs; she supports a moderate increase in taxes and has promised not to abolish social aid minima or family allowance. "We must not make too many cuts. We must avoid making the same mistakes as the blue/red government (SPD-KOK) after the 1990's crisis," said Mari Kiviniemi. The KESK is aiming to create 150,000 to 200,000 new jobs during the next term in office.

At the end of March the Central Bank of Finland published its latest forecasts: GDP growth is due to rise to 3.9% in 2011 and to 2.7% in 2012. According to the National Statistics Research Institute the Finnish GDP has increased by 3% per year on average from 2001 to 2008. Erkki Liikanen, the Central Bank's governor believes that the forecasts reflect the rise of the Finnish economy which is supported by private consumption and real estate investments. The country was most severely affected by the global economic crisis that started in the autumn of

2008. The GDP contracted by 8.2% in 2009.

A recent poll shows that 79% of Finns support progressive taxation on capital revenue. According to those interviewed this would enable a reduction in income inequality, since capital revenues are not taxed as heavily as income. 63% want to see the reintroduction of a wealth tax that was abolished in 2006.

The general election on 17th April will probably give rise to a new division of power in Finland. According to all of the polls the "True Finns" may make strong progress, and they may even become the country's second most important party which would comprise a revolution. In this event, Timo Soini would find himself in the position of king maker. *"If the part wins a great number of seats it will be difficult to exclude it from the pre-government negotiations,"* analyses Pasi Saukkonen, a political scientist of the University of Helsinki.

According to the latest poll by Research Insight Finland for the TV channel MTV3 which was published on 5th April the KOK and the KESK are running neck and neck and are credited with 19.9% and 19.8% respectively in terms of voting intentions. The SPD is due to win 18.1% and the "True Finns" 16.2%. "It is a little early to say but this poll shows that the "True Finns" have peaked. However the support they can rally is uncertain by nature since it depends on the population's discontent and whether it

expresses this," stresses Heikki Paloheimo, a professor of political science at the University of Tampere.

A poll for the Turun Sanomat shows a rise in voting intentions for the "True Finns" in the region of Turku where the party is credited with 21.7% of the vote, just behind the KOK which is due to win 21.9%. In North Savonia the Populist Party is due to win 21.7% of the vote and 17.6% in central Finland. It is also ahead of the SPD in the constituency of Uusimaa the country's biggest region where it is second with 18% behind the KOK with 26.5%. However it is not on the rise in Helsinki, 11.6%.

The "True Finns" are managing to convince Centre Party supporters who are extremely reticent about their country's support to Greece and Ireland, notably in rural areas where the party is well established. They are also attracting those close to the SPD. An internal survey by the Finnish Trade Union Confederation revealed that 10% of its members supported the "True Finns". The Confederation has one million members i.e. one fifth of the population.

Turnout will play a major role in the election result. Traditionally it is lower in Finland than in other Nordic countries. 67.9% of the Finns turned out to vote in the last general election on 18th March 2007 but 82.1% of the Swedes voted in September 2010, 75.4% of Norwegians in September 2009 and 86.5% of Danes in November 2007.

Considerable breakthrough by populists in Finland's general election

RESULTS

The general election held in Finland on 17th April saw a strong breakthrough by the «True Finns», who have now become the country's 3rd party. They collected 19% of the vote and win 39 seats, that is +34 compared to the previous general election held on 18th March 2007. The True Finns is the only party to have progressed and increased the number of its members at the Eduskunta/Riksdag, Parliament's single chamber, and is almost level with Jutta Urpilainen's Social-Democrat Party (SPD), which obtained 19.1% of the vote and won 42 seats (-3). The conservative National Coalition Party (KOK), led by the outgoing Finance Minister, Jyrki Katainen, came top with 20.44% of the vote and 44 seats (-6). This is the first time in Finnish history that the KOK has won a general election. The Centre Party (KESK) led by the outgoing Prime Minister, Mari Kiviniemi, suffered a set back with only 15.8% of the vote and 35 seats (-16). Paavo Arhinmäki's leftwing alliance (VAS) suffered too with 8.1% of the vote and 14 seats (-2), the Greens (VIHR), led by the outgoing

Labour Minister, Anni Sinnemäki, are also down, on 7.2% and 10 seats (-5). The Swedish People's Party SFP), led by Stefan Wallin retained its position with 4.3% of the vote (9 seats, =). Finally, the Christian-Democrat party (SKL), headed by Päivi Räsänen, collected 4% of the vote, winning

6 seats (- 1).

Turnout was high at 70.4%, i.e. +2.5 points compared to the previous general election held in 2007.

«It's a good start! It's the victory of good sense. It's no longer realistic to continue under the governance of the old parties, year after year» declared the leader of the «True Finns», Timo Soini, when results were announced. «This is an historic change. The True Finns now have a member in every circumscription!» he added.

These elections indeed mark a real upheaval in political life where a strong culture of consensus has always held sway. The political scene has been dominated since the seventies by 3 parties of almost equal strength – on the left the Social-Democratic Party, on the right the National Coalition and the Centre Party – which were in the habit of sharing power. We are therefore witnessing a new form of power sharing due to the considerable breakthrough by the populist parties, a political force that is expanding throughout Europe. «This is a real big bang in Finnish political life, it's a big, big change. It's going to change the content of policies in Finland» underlined Jan Sundberg, professor at Helsinki University.

The strongly euro sceptical and nationalistic discourse of Timo Soini combined with a rather leftwing leaning socio-economic approach has convinced the people of Finland. It would appear that many traditional abstentionists came out to vote in favour of the «True Finns». «The expected success of the True Finns is due to the fact that it attracts a highly diverse electorate» said Pasi Saukkonen, a political scientist from the Helsinki Centre for Research into Ethnic Relations; he also foresees that the populist leader «could have a great deal of difficulty in keeping his troops in order after the general election.»

«I am happy to see that our message on employment and justice has been heard by the voters», declared Jutta Urpilainen, the president of the social-democrat party. The SPD did better, in fact, than opinion polls had predicted. The turnaround in his discourse, towards topics covered by the «True Finns», such as a

more critical, even sceptical approach on Europe and immigration, would appear to have borne fruit in the election. Jutta Urpilainen, who had been decried due to a poor image, can also savour a personal victory.

Finally, the outgoing Prime Minister Mari Kiviniemi acknowledged her party's defeat. «This looks like a crushing defeat for us,» she indicated. «It's a disappointment but the people have told us what they want and we must listen to them,» she added.

«My dear friends, we have written history!» cried the leader of the National Coalition party, Jyrki Katainen. «Responsibility, straightforwardness, our project for the future and our positive direction have won the confidence of the people» stated the outgoing Minister of Finance.

Jyrki Katainen, who ran a pro-European campaign, particularly with regard to financial aid for the Member States most severely affected by the social-economic crisis, will now have to negotiate with the «True Finns», who made their opposition to the Portuguese rescue plan a «non-negotiable» topic and/or with the Social-Democrat Party which asked for further guarantees.

Timo Soini made the general elections a «referendum on the euro, of which the Finns were deprived when the single currency was adopted.» He reminded voters that he wanted to modify the terms of the Portuguese rescue plan, the 3rd country in the euro area to have needed a rescue plan, after Greece and Ireland. The «True Finns» are opposed to any increase in the effective capacity of the European Financial Stability Facility (EFSF). The decision on the manner by which to raise the Facility's effective loan capacity to 440 billion euros (of which Finland has agreed to guarantee 8 billion euros) should be taken by European partners at the end of June. A withdrawal from the EFSF by any one of the 17 countries in the Eurogroup would put the facility into danger. Finland has guaranteed 12.5 billion euros to the European Stability Mechanism, granted a 1.48 billion euro loan to Greece and a loan of 160 million euros to Iceland and, finally, has promised 324 million euros to Latvia.

«It is not normal that countries which have managed

their economies badly should create problems and get their debts paid by Finnish tax payers. When Greece collapsed we were told that it would be the last Member State that we would have to help. Then came Ireland and now Portugal» declared Timo Soini.

«Lots of people have relegated the contribution made by the European Plan into second place. From a positive approach to Europe, we now have a more sceptical, accountant-like vision» analyses Teija Tiilikainen, director of the Finnish Institute for Foreign Affairs, who sees the rise of the «True Finns» as being directly linked to the emergency plan for saving Greece. «The vote for the True Finns reflects the feeling that says that Finland has taken care of its own affairs whilst others in the euro area have not assumed their responsibilities, a feeling that has been to the advantage of the True Finns» underlines Pasi Kuoppamäki, economist at the Sampo Bank. «The Finns tightened their belts and did not receive any aid, they have never asked anyone for any money and have kept to all the European rules, whilst other countries have managed their business very badly» says Jan Sundberg. He believes that the indignation of public opinion is deeply rooted in the major recession suffered by the country in the nineties, which saw the collapse of the national banking sector and an unemployment rate close to 20%.

After the results were announced, Jyrki Katainen was keen to minimise the prospect of seeing his country change its attitude with regard to European difficulties. *«Finland has always been a country keen to settle problems responsibly, not to cause them. This is a common European cause»* he declared. In Finland parliament is authorised to pronounce on requests for funds to finance EU rescue plans. First consequence of the results of the general elections on 17th April: the

euro lost ground on 18th April against the American dollar and the Japanese yen.

«Traditionally, political parties agree that the leader of the party with most seats forms the government,» says Ilkka Ruostetsaari. Jyrki Katainen, leader of the conservative National Coalition party should therefore be the next Prime Minister of a country where government coalitions have always been formed after elections and beyond ideological splits. The rural party (SMP), from which the True Finns were born, was part of the Finnish governments between 1983 and 1990. *«When you ask them, most Finns say that who is in government is of no importance»*, points out Lauri Korvanen, professor of political sciences at Turku University.

Jyrki Katainen, 40, is a graduate in social sciences from Tampere University. After winning several local mandates (town councillor in Siilinjärvi and regional councillor of Northern Savonia) he has been a member of parliament since 1999. Five years later, in 2004, he became leader of the National Coalition. In 2007 he was appointed Finance Minister in the government headed by Matti Vanhanen (KESK). He was returned to this same office by Prime Minister Mari Kiviniemi in June 2010. 3 years ago The Financial Times named Jyrki Katainen best Finance Minister in Europe.

Results of the general elections held in Finland on 17th April 2011

Turnout: 70.40%

Political parties	Number of votes	Percentage of the vote	Number of seats
National Coalition (KOK)	598 369	20.4	44
Social-Democrat Party (SPD)	561 049	19.1	42
True Finns (PS)	559 342	19	39
Centre Party (KESK)	463 160	15.8	35
Leftwing Alliance (VAS)	238 473	8.1	14
Greens (VIHR)	212 837	7.2	10
Swedish People's Party (SFP)	125 865	4.3	9
Christian-Democrat Party (SKL)	118 514	4	6
Aland	8 542	0.4	1
Others	95 984	1.6	0

Source: Statistics Office of Finland website (<http://tilastokeskus.fi/til/vaa.html>)

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