

# MNI POLITICAL RISK ANALYSIS – Norway

## Election Preview

by Tom Lake

Norwegian voters go to the polls on 13 September to elect a new parliament or '*Storting*', with incumbent Prime Minister Erna Solberg seeking a third consecutive term in office for her centre-right Conservatives, while the main opposition centre-left Labour Party looks to form a left-leaning government. In this preview we offer a short primer on Norway's electoral system and parties, analysis of opinion polling trends in the run-up to the vote, and some potential post-election scenarios with assigned probabilities.

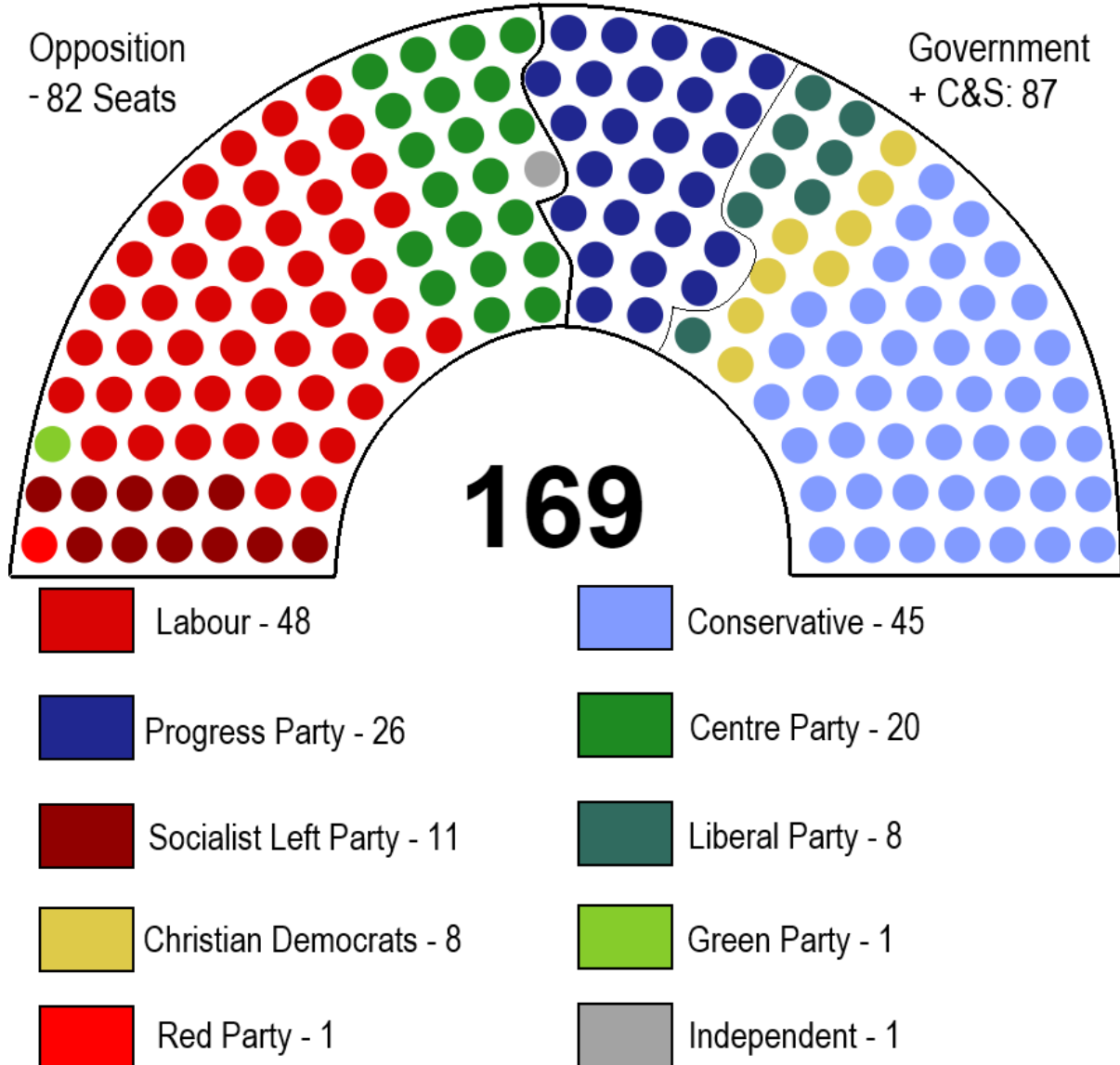
### Main Takeaways:

- Prime Minister Erna Solberg's government looks to be on the way out, with the Labour Party and its centre-left/left-wing allies holding a commanding lead in most pre-election opinion polls.
- As is usually the case in Norwegian elections, potentially lengthy coalition talks will be required after the vote to form a majority government. The 'Red Bloc' of the Labour Party, the agrarian Centre Party, and the left-wing Socialist Left Party may be able to secure a majority on their own or could require outside support from other leftist parties.
- Should Labour party leader Jonas Gahr Støre become prime minister, there will likely be a deterioration in EU-Norway relations. Both of Labour's likely coalition allies have voiced support for reducing payments to the EU (Socialist Left Party) or leaving the EEA and signing bilateral agreements with the EU in a Swiss-style arrangement (Centre Party).

### Electoral System

Voters will elect the 169 members of Norway's unicameral parliament from each of the country's 19 multi-member electoral districts. The number of representatives in each district is dependent on the population of the district, although rural districts generally have a lower overall population-to-representative ratio than urban areas to ensure voices from sparsely populated regions are not drowned out by those from towns and cities. Representatives are elected under the proportional Sainte-Laguë voting method. Norway operates a levelling-seats or '*sperregrensen*' system, where those parties that do not win seats in any single district, but garner 4%+1 of the vote nationwide, are provided additional representatives.

**Chart 1. Norwegian *Storting* at Dissolution, Seats**



Source: *stortinget.no*, MNI

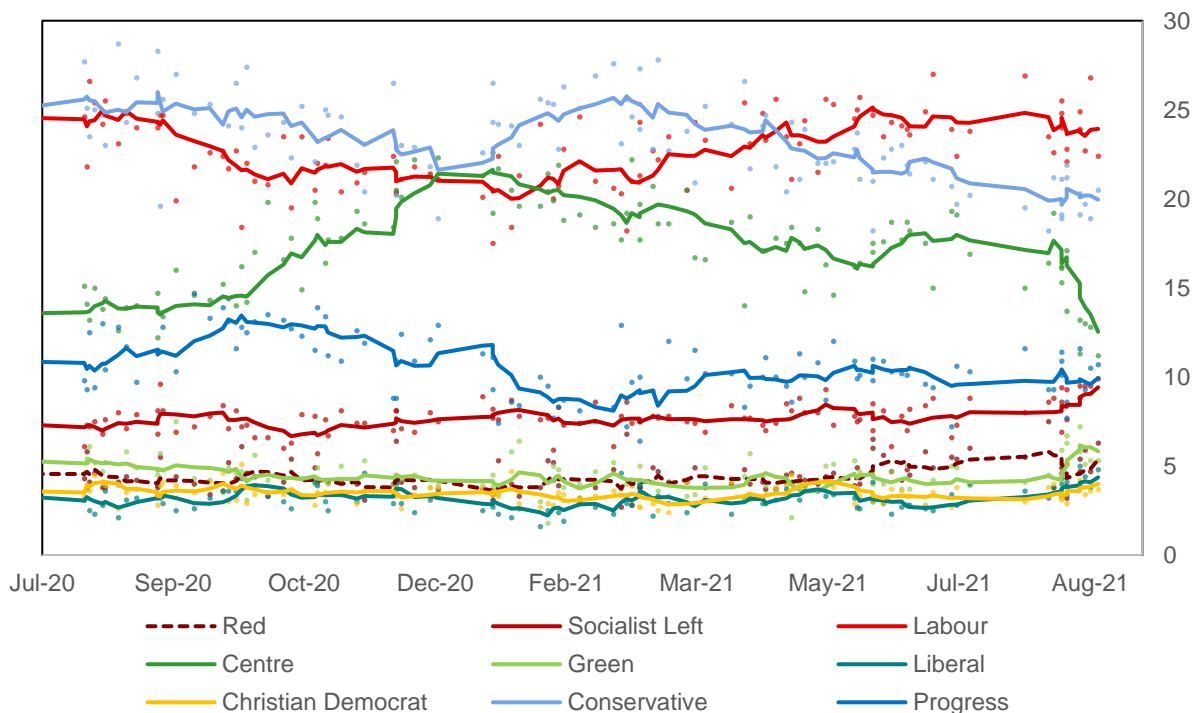
Under the Norwegian constitution snap elections are not possible, with the parliament running on a four-year cycle. If no majority government can be formed, parties must form a minority government and secure support through a confidence-and-supply agreement. If even that is not possible, a minority government can seek to pass legislation on a vote-by-vote basis.

Political Parties (in order of seats at present):

- **Labour Party** – *Arbeiderpartiet* – Ap – Centre-left, social democracy – Leader: Jonas Gahr Støre – Seats: 49
- **Conservative Party** – *Høyre* – H – Centre-right, liberal conservative, pro-EU – Leader: Erna Solberg – Seats: 45
- **Progress Party** – *Fremskrittspartiet* – FrP – Right-wing, populist, conservative – Leader: Sylvi Listhaug – Seats: 26
- **Centre Party** – *Senterpartiet* – Sp – Centrist, agrarian, decentralisation, Eurosceptic – Leader: Trygve Slagsvold Vedum – Seats: 20
- **Socialist Left Party** – *Sosialistisk Venstreparti* – SV – Left-wing, democratic socialist, republicanism – Leader: Audun Lysbakken – Seats: 11
- **Liberal Party** – *Venstre* – V – Centrist, social liberal, pro-EU – Leader: Guri Melby – Seats: 8
- **Christian Democratic Party** – *Kristelig Folkeparti* – KrF – Centre-right, Christian democracy, social conservative – Leader: Kjell Ingolf Ropstad – Seats: 8
- **Green Party** – *Miljøpartiet De Grønne* – MDG – Centre-left, environmentalism – Leader: Une Aina Bastholm – Seats: 1
- **Red Party** – *Rødt* – R – Far-left, communism, Eurosceptic – Leader: Bjørnar Moxnes – Seats: 1

## Opinion Polling

**Chart 2. General Election Opinion Polling by Party, % and 6-Poll Moving Average**

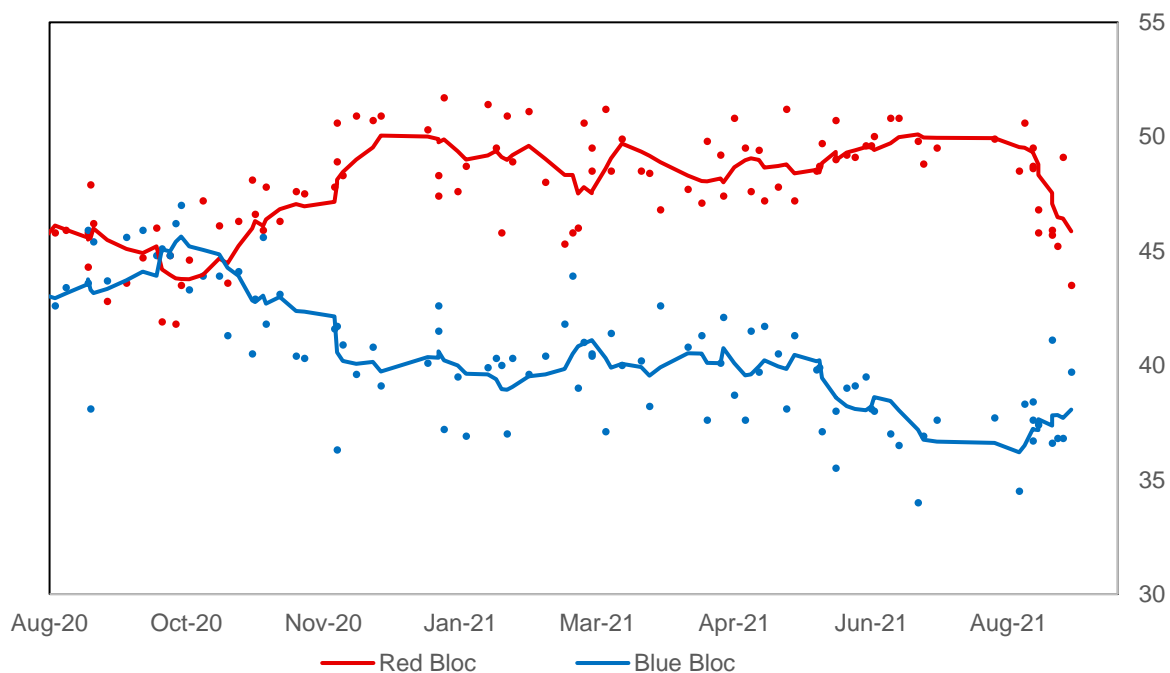


Source: Kantar TNS, Norstat, Respons Analyse, Sentio, Opinion Perduco, Ipsos MMI, Norfakta, MNI. N.b. Each dot indicates individual polling result.

Opinion polling in the run-up to the election has shown a consistent and wide lead for the 'red bloc' of parties on the left of Norwegian politics – the Labour Party, Centre Party, and Socialist Left Party – over the 'blue bloc' on the right, formed by the Conservative Party, Progress Party, Liberal Party, and Christian Democratic Party.

Labour have held the lead in every poll since mid-May 2021 and are in pole position to be given the first mandate to form a government after the election. With the localist Centre Party recording a sharp decline in support, from just below 20% in July to around 11-13% in late August, the red bloc has seen its combined vote share fall from around 50% to 45%. As such, depending on the distribution of seats, the red bloc may need the support of the environmentalist Greens or the far-left Red Party in a confidence-and-supply agreement to secure a parliamentary majority.

**Chart 3. Opinion Polling by Bloc, % and 6-Poll Moving Average**



Source: Kantar TNS, Norstat, Respons Analyse, Sentio, Opinion Perduco, Ipsos MMI, Norfakta, MNI. N.b. Each dot indicates individual polling result. Red bloc: Labour, Centre Party, Socialist Left Party. Blue bloc: Conservative Party, Progress Party, Liberal Party, Christian Democratic Party. Not included in either bloc: Red Party, Green Party.

One of the major variables in the election is whether the Liberals and Christian Democrats cross the 4% nationwide vote threshold to be given levelling seats in parliament. If these parties fall short, the other parties will each have a greater proportion of seats in the *Storting*, potentially making the formation of a centre-left coalition an easier prospect.



## Election Scenarios

- **Red-Bloc Majority Government – 50% Probability:** The most likely outcome of the election is a majority of seats for the red bloc formed by Labour, the Centre Party, and the Socialist Left Party. The Labour leader Jonas Gahr Støre would be best placed to serve as prime minister, although Centre Party leader Trygve Slagsvold Vedum has also talked up his chances of taking the post. A centre-left win would likely see some marginal measures intended to restrict Norway's important hydrocarbons sector, although with just three parties in government these changes (such as lowering subsidies to the industry or reducing the number of exploration licences) are unlikely to result in major changes to the industry.

A red bloc government would not see Norway leave the European Economic Area, but would likely see relations potentially deteriorate, with the incumbent Conservatives seen as the most pro-EU major party (a rare occurrence in European politics, with the centre-left usually more pro-EU than the centre-right). Both the Centre and Socialist Left parties have expressed an interest in reforming Norway's relations with the EU, with the Centre Party supporting a Swiss-style set of bilateral agreements.

- **Red-Bloc Minority Government Supported by Greens and/or Red Party – 35% Probability:** Opinion polling in the run up to the election shows that there could be a scenario in which neither the red nor blue bloc can secure a majority of seats in parliament. Given that both parties that are not part of either bloc – the Greens and the Red Party – are both on the left of the political spectrum, it seems likely that one or both of the parties will form a confidence-and-supply agreement with a Labour-led government. Snap elections are not possible in Norway, meaning that even if the Greens and/or Red Party cannot reach an agreement with Labour, they could support legislation on a vote-by-vote basis.

If either of the two smaller parties are relied upon for their votes, it could have a more significant impact on Norwegian government policy than would be the case with a red bloc majority administration. Most notably, if Green support is required the government will likely need to offer greater concessions in regard to slimming down Norway's hydrocarbons industry or forcing the sovereign wealth fund to divest from investments in polluters.

- **Blue-Bloc Majority Government: 15%:** This outcome would be the largest shock result from the election, given how far behind the parties of the right are compared to the left when vote shares are combined. A continuation of the current Conservative-Liberal-Christian Democrat minority government with Progress Party support, or with the Progress Party re-joining the government to form a majority coalition would clearly be the outcome engendering the greatest policy continuity. A continuation of the Solberg government into a third term would ensure Norway remaining as part of the EEA, and would be the most supportive of Norway's hydrocarbon sector

(although there are already plans in place to reduce carbon emissions by 95% by 2050 and banned exploration in certain Norwegian territories).

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