

Some notes on the present situation in Iceland - an analysis in the wake of general elections to the Althingi

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The general elections to the Icelandic parliament, the Althingi, took place on 29 October. They were inconclusive in that they did not produce any immediate, obvious majority that could form a government. On the other hand, they were in no way inconclusive as to the fate of the sitting government, which was made up of the two parties Framsóknarflokkurinn and Sjálfstæðisflokkurinn, The Progressive Party (a center party originally based on powerful peasant movements) and The Independence Party (a right wing party). These parties received a very clear majority of votes in the 2013 elections, each receiving 19 MPs out of a total of 63 and thus being able to form a government with a very substantial majority in the Althingi.

These parties, especially the Independence Party, were directly responsible for the disastrous financial, economic and social policies that led to the collapse of the Icelandic banks in 2008. The Independence Party led a period of unrelenting, ultra-neoliberal, right wing policies in the period 1991-2008. The basis for the neoliberal turn in Icelandic politics was, however, laid in the period 1983-1987, when an earlier coalition government comprised of the Progressives and the Independents was in power.

The return to power of these two parties in 2013 can only be explained on the background of what happened in the period 2009-2013. After the collapse of the Icelandic banks on 6 October a very powerful mass movement appeared out of nowhere. In late November it had grown to such proportions that it was already a grave threat to the government. The movement was organised on several levels and with several centers of operations, which were mostly uncoordinated. All of them coalesced, however, in the weekly meetings at Austurvöllur, in the center of Reykjavík, on Saturdays at three o'clock. On 1 December all the centers of operation coordinated a meeting at Arnarhóll, also in the center of Reykjavík. After the meeting the more radical wing of the protest movement attacked and occupied a part of the Central Bank of Iceland, which is situated beside Arnarhóll. Despite this a full scale uprising did not materialise as many had expected, not this time, perhaps because the weather was extremely cold, -4 celcius degrees.

In January 2009, however, the protest movement was finally successful in removing the government and the movement's demand for new general elections was also met. These elections returned a clear left majority to the Althingi in April 2009, with the social democratic party (Samfylkingin, which also had been in the government at the time of the collapse) and the Left Greens (Vinstri grænir, a left socialist party) forming a government. This government inherited the de facto rule of IMF over the economy. The IMF had been called in right after the collapse to try to restore the capitalist economy.

A left government disgraced, along with the entire political elite

The government did not need any help from the IMF in making itself extremely unpopular, extremely fast. It embarked on a very dubious mission to enter the European Union, which was not the priority of most of the population. A part of the problem was that in order to be able to enter into the EU, the Icelandic government would have to agree to pay up all the debts of the Icesave operation of one of Iceland's three failed banks, Landsbankinn. These debts had been created in a desperate attempt by the bank, already in deep trouble, to save itself by utilizing the very high interest rates obtainable in Iceland, by starting on-line banking operations in the Netherlands and the UK. Money poured into the Icesave accounts from these countries, and at the collapse in Iceland it all disappeared. The UK and the Netherlands governments demanded that the government of Iceland reimburse the customers of Icesave, and the left government agreed to this.

The Icelanders rightly saw this as the taking on of odious debts, if one adopts the language of the

movement against odious debts. In 2009 a strong movement against this agreement gathered steam, and it was supported by a part of the Left green party in the Althingi. It was also supported by the Hreyfingin (the Movement), a party that had been created by activists of the protest movement that had ousted the government in January 2009. It had received some 7% of the vote and four MPs. This movement demanded a referendum on the Icesave agreement, and it was successful. The agreement was overwhelmingly rejected in 2010, and a second proposal was rejected with a smaller majority in 2011.

Further, when the Althingi was reassembled in the autumn of 2010, a protest of tens of thousands of people performed what amounted to a ritual beheading of the political elite, throwing eggs and rotten tomatoes at the politicians as they marched in their traditional march between the cathedral and the parliament building, that lie side by side at Austurvöllur in the center of Reykjavík, in a portrayal of the coordinated religious and temporal power, marking the beginning of each sitting of the Althingi. The exact same thing took place exactly a year later. The mass was even larger this time. However, nobody was hurt (much), but the symbolic meaning of these protest meeting was and is clear to everyone.

The "left" government had by now lost all and any credibility it had ever possessed, and halted through the next two years without even attempting to restore it. In the spring of 2013 the final nail was put in the coffin of the government when an international court ruled that the Icesave agreement had been illegal and that the Icelandic government was not under any obligation to redeem the Dutch and UK citizens that had lost money in the collapse of the Icelandic banks. This had the consequence of not only electorally decimating the left parties, but also the Independence party, in the elections in the spring of 2013. The fourth party, the Progressives, had opposed the Icesave agreement and it was able to portray itself as the saviour of the Saucepan Revolution of 2008-2009, as the redeemer of the protesting masses, and received one of the largest percentage of votes it had ever received.

Neither of the thoroughly discredited left parties had any chance of entering government with the Progressives, so it was the Independents that did so, meekly accepting the leadership of the Progressives, appearing to take the back seat in a government supposedly in tune with the rebellious mood of the people, who were unhappy with the disastrous and wrongheaded policies of the earlier government. However, it took very little time before this government became just as unpopular as the "left" government before it. The all too obvious scheming, wheeling and dealing in the interest of the Icelandic capitalist elite by this government was far too transparent and for all to see.

This government was blown out of power by the Panama Papers leak in April 2016. The Progressive prime minister was caught in the act of committing an unforgiveable sin in the context of his agency as a representative of the protesting masses. He had owned an offshore company, Wintris, in a tax haven on the island of Tortola in the West Indies. 30.000 people showed up at Austurvöllur on the 4 of April, demanding the removal of the prime minister and new general elections. Both demands were met. This would not have happened had the government in any way in the intervening period proved itself up to the task of creating a new consensus in society, a consensus replacing the broken social contract of neo-liberalism, the contract that had reigned de facto from 1984 and been sanctified by the so-called Þjóðarsáttarsamningar ("contract of national reconciliation") in 1990.

The representation of the rebellion

So the real issue in the elections to the Althingi on 29 October was who was to lift the torch of representing the popular rebellion in Iceland 2008-2016. One could even call it the Icelandic revolution. The development of the neo-liberalist hegemony from 1984 was a process where in the beginning a consensus was created by suppressing certain discourses, like the idea of class conflict, or solidarity, or the state being responsible for the well-being of its citizens. This was all thrown out of the window around 1990, and this was crucially (as elsewhere) accepted by the parties that had been built upon the idea of a working class having interests opposing those of capital. In 2007 the social democrats had entered an extremely right wing government, and had sat in it when the collapse happened.



The consensus created by suppression of certain discourses, the virtual ban on even verbalizing the existence of class or of exploitation of one class by another, now this consensus was in tatters because of the collapse of the system that had secured the amount of material well-being that backed up, and was the pre-condition for the consensus. In 2013 the Progressive Party was temporarily able to take upon itself the mantle of the redeemer, but it soon failed, and in 2016 failed spectacularly to create a new consensus.

The torch of rebellion against the old consensus was taken up by the Pirate Party. This party had in 2013 inherited the position of the Hreyfingin, (the Movement), that along with the left wing of the Left Greens and the street protesters, had with some success opposed the neoliberal policies of the "left"/IMF government of Iceland in 2009-2013. When the Progressive/Independence Party government lost popularity in early 2015 (primarily by refusing to put discussions about access to the EU to a referendum, which had been promised), the Pirate Party took flight in opinion polls. It approached 30% in the whole period between February 2015 and April 2016. It lost some of its support after that, mostly to the Left Greens, but it kept around 20% of the support in the polls, with the Left Greens hovering around 15%. In the end the Pirates received only about 15% in the general elections, and the Left greens around 16%.

The flight of the Pirates in the polls was obviously to a large degree a protest vote; neither the traditional left nor the traditional right had any credibility anymore. The only option left was the Pirates. But it was also a consequence of a very real movement. It was to some degree a direct, organized, political representation of the protests in the whole period from 2008. It was the first sign of a possibility of a renewed social contract, based upon the enormous mass political activity in Iceland in the period 2008-2016. This was truly momentous. In the period 2008-2011 the police counted over 1300 protest meetings of various sizes and shapes - close to one per day.

An attempt to realize this new de facto consensus perhaps materialized in an initiative the Pirates took two weeks before the election in October. Then they invited three other parties, the social democrats (Samfylkingin), the Left Greens and a party called Björt framtíð (Bright Future), which was a centrist breakout from the social democrats, to create an electoral bloc or coalition, so that voters would know that if they voted for these parties they would go together in a government after the elections. This was immediately branded as an attempt to create another left government by the Icelandic media, very much controlled by the moneyed interests. A left government was perhaps not a very popular thing after the experience of 2009-2013. Many, especially the corporate controlled media, viewed the move by the Pirates as some kind of desperate, misguided move on the political chess match table.

But why did the Pirates do this? Was this such an obvious mistake? The aftermath of the elections has shown what was about to happen. The corporate media completely misunderstood (perhaps willingly) the message of the initiative, which was to demonstrate the new consensus of Icelandic politics. It was not about left or right politics, but about the necessity of accepting the political reality of the hegemony of the movement that started in 2008. In October 2016 there was no longer any trick up the sleeve of the establishment, no party that had opposed Icesave or an analogy to that. The Independence party stood alone, naked in its class arrogance, with nothing to hide its intentions of class warfare on behalf of the 1%.

A far too successful party

The Independence party received far too great a share of the vote in the elections, 29%, with its too successful election campaign, for it to be able to hide behind some other party, like it had in 2013. The bloc proposed by the Pirates did not receive a majority, it received 43% of the vote, but that is to some extent besides the point. This could even in some ways be regarded as a better result than if it had received majority, because then the corporate media would immediately have labelled it the new left government that would bring ruin to the economy, recycling old and completely outdated cliches, putting the new government into a context that does not exist anymore. The resulting impasse of the bloc not receiving majority is far more revealing, the complete impotence of the old system far more obvious - just like in Spain.

The ritual execution of the elite at Austurvöllur, not once, but twice, by the masses in 2010 and 2011 has some of the symbolic meaning of the execution of the king of England in 1649 or the king of France in 1793. It cannot be taken back, the head is off, everything is changed, and the head cannot be put on the neck again. This is the essence of the Icelandic revolution and any government has, first to understand, and then to accept this if it at all to be able to lift the mantle of power in a credible way.

The party that had been built upon the idea of the necessity of class struggle and then forgotten everything about these foundations during the neoliberal consensus had received around 30% of the vote in the 2006 elections, but ten years later it received 5,7%. This was Samfylkingin, the social democrats. It is a clear sign of a shift in hegemony, when the essential prop to the power of capital that social democracy is in the western world disappears. Another sign is the attempt to create replicas of the Pirate Party, which has to some extent become the voice of the street movement (and could have any name, really. It just happens to be called the Pirate party). We now have two other such parties in Iceland, in parliament, and this is of course a very clear sign of the success of the street movement. But these two parties, one called Viðreisn ("Resurrection") and the other Björt framtíð (Bright Future) are hollow replicas of the authentic voice, without much conviction or moral power. Even so, they have been the ones to demonstrate in their dealings with the Independence party in the last few days how much the situation has changed, how far the front lines have been moved forward for the popular movement against neo-liberalism. More on that below.

Another worry is that the Pirate party lacks social and economical analysis. It is very much based on visceral opposition to the elite, which is very good and healthy, but in order to govern it needs the apparatus of new ideas of how to govern, and these can not be googled. They have to be hammered out in a much more conscious and methodical manner than hitherto has been the case. The emphasis by the Pirate Party on citizen's basic income reveals the influence of the neo-liberal ideological discourse, this idea being championed by Milton Friedman in order to provide an alternative to the generalized social security provided by social democratic governments in 1945-1980 or so. The two replicas (Resurrection, Bright Future) are even more consciously neo-liberal, attempting a "morally clean" neoliberalism that is of course not an option anywhere, anytime.

Hegemony and rebellion

It might be argued that the organised representations of the street rebellion against neo-liberalism in Iceland hitherto has only created a vaguely anti-establishment party with an equally vague reformist agenda, shot through with half-baked neo-liberal ideas. This is the Pirate Party. This could be traced to a very thorough neo-liberal hegemony preceding the rebellion, or to other circumstances. However, the Pirate Party did not propose the left alliance on the basis of neoliberalism, but on an anti-neoliberal platform, probably with the strengthening of the health system and the educational system as main planks. Other important issues are being discussed between three parties attempting to form a government. These include the call for a referendum which will decide if Iceland wants to enter negotiations with the EU for the membership of Iceland in the EU, the quota system in the fisheries and the support for agriculture. This was probably the general tone or feeling in the populace regarding this alliance. The alliance, however, was only vaguely formed, and it never went as far as formulating such agendas.

As mentioned before, the development of the neo-liberalist hegemony from 1984 on was a process where in the beginning a consensus was created by suppressing certain discourses, like the idea of class conflict, or solidarity, or the state being responsible for the well-being of its citizens. Another consensus, already present as an hegemonic mass movement largely controlling the mood of policy, is however struggling to articulate itself as a coherent political movement.

A (successful) Syriza kind of government in Iceland?

Is there a possibility that Iceland will be the first country to create a credible reformist government based on the platform of the rebellion against neo-liberalism that has been ongoing since 2008 in Iceland and since 1997 in most other parts of the world?

As one friend of mine put it, how can three social democratic parties (the Left Greens, Bright Future and the rump of the social democrats), one newborn neo-liberal party (Resurrection), and one indescribable mess of a party (the Pirate Party) be any kind of material for such a government? Is there any light in this? If this would happen it would of course be some kind of a miracle.

But maybe not. The situation is very different f.ex. from the situation in Greece, at the time of the ascension of Syriza to power. The reason is the same as the reason Syriza did not succeed, despite a very radical agenda, probably far more radical than the agenda of the most radical of the five parties mentioned here. It is the fact that Greece is and wants to be a part of Europe and the eurozone, and Iceland does not. The development of the social movements in Iceland has created an atmosphere where five parties on the left and in the middle of the political spectrum could conceivably create an anti-neoliberal alliance despite themselves. This is the factor that has to be kept in mind when the present situation is scaled up.

Already it is clear that the chances for the Independence Party to remain in government are rapidly diminishing. They failed to create a consensus for a government with the two aforementioned new center parties, Resurrection and Bright Future. In a demonstration of the changed situation the two center parties had the audacity to try to get the Independence party to agree to a major reorganisation of the very profitable quota system in the fisheries, still a central element in the Icelandic economic system. In this they failed, but the attempt was valiant and exposed the Independence Party. They also failed to get the agreement of the Independence Party for a referendum on the matter of Icelanders again starting discussions with the EU for membership. That these two parties even tried to do this is a sign of change, and that they did not back off the demands is another sign of change.

The Independence Party is now isolated. Its only hope is that the Left Greens, the second biggest party in Althingi, will fail to establish a center-left government based on the five parties, and will have to turn to the Independence party to form a government. It has repeatedly, without any success, tried to woo the Left Greens into some kind of a "all-national" government across the left-right spectrum. That the best hope for the Independence Party is now the most left wing party in the Althingi is bizarre, to say the least. There is, on the other hand, consensus among the five parties for major changes in policy, with a strengthening of the official health system, the educational system and changes in how the profits from the fisheries should be distributed. The question is if internal squabbling among the potential alliance will prevent this consensus being realized.

So, in the vocabulary of Gramscianism, the war of manouvre is ongoing, the popular progressive movement against neo-liberalism is potentially still on the move forward in Iceland, and the situation has not yet settled in favour of one hegemony or another after the break with neo-liberalism in 2009. There are signs that a new progressive reformist hegemony could be established, and it probably will within the foreseeable future in some form. A war of position, in other words the neo-liberal consensus that existed in the period 1984-2008, has been irrevocably disrupted, and the situation in Iceland at present is such that there is no chance for a nativist or right-wing populist movement to utilize this disruption.

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