

Finland

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Introduction: The socio-political context of Finnish politics

Finnish political history is built on an interesting paradox of turbulence and stability in a society that, on one hand, shares a consensual approach to politics within a unified national project and, on the other hand, and is founded upon deep divisions, geographic, linguistic, political and ideological, on the other. Finnish statehood dates to the end of the Finnish War of 1808-1809 between Sweden and Russia. Finland had been a part of the Swedish kingdom for centuries but, as Sweden lost the war, Finland was awarded to Russia in the Treaty of Fredrikshamn 17 September 1809. After the treaty, Emperor Alexander I established the autonomous Grand Duchy of Finland as a part of the Russian Empire.

19th century Finnish politics was marked largely by a conscious nation-building process, the ethos of which was summarised by the 19th century Finnish writer and politician Adolf Ivar Arwidsson: “We are not Swedish anymore. We do not want to become Russian. Let us be Finnish”. After an eventful century or so of being a more or less autonomous part of the Russian Empire, Finland gained independence from Bolshevik Russia in 1917. The deep divisions in society drove Finland into a civil war between the White (conservative bourgeois) and Red (led by social democrats) factions in 1918. Rather miraculously, the nation was able to come together only a couple of decades later to fight a common enemy, against the USSR in the Winter War (1939-1940) and Continuation War (1941-1944), and against Germany in the Lapland War (1944-1945).

After the war the newly found sense of national identity was also strengthened through the increasing welfare that was brought about by economic growth and the development of Finnish industries, some of which, such as the shipbuilding industry, were borne partly out of the reparations Finland had to pay to the Soviet Union after the war. In the decades that followed the wars, Finnish politics was marked by a carefully managed diplomatic relations with the USSR, led by President Urho Kekkonen and by an increasing integration of Finland into the Nordic and wider European family of nations. During the postwar decades, and with an accelerating development in this regard from the 1960s onwards, Finland also became a Nordic welfare state.

In the 21st century Finnish politics is again marked by increasing disagreement about the direction Finnish politics, economy and society should take. This is marked by, for instance, the growth in popularity of the populist Finns Party that broke through as a serious political force in the 2011 General Election through its “big bang” election victory and entered the centre-right government coalition of PM Juha Sipilä of the Centre Party of Finland (*Suomen Keskusta*, CP) in 2015. Instead of a deep division into the political left and right, as in the 20th century, the 21st century Finnish political tensions seem to be based on, for instance, the disagreements on liberal and conservative values, nationalism and internationalism. One case in point for these divisions is the issues relating to immigration and integration.

Finnish ‘active neutrality’ in the Cold War era

The direction of Finnish postwar politics was very much determined by the external environment the country entered in the end of the Second World War. As an outcome of becoming co-belligerents with Nazi Germany in 1941, Finland was considered to be on the losing side of the Second World War. It had to surrender around 12% of its territory and pay reparations to the Soviet Union, which according to some estimates would be close to €4,500m. if converted into current money. This was a significant sum for a country that was

economically, politically and socially crippled by years of war. However, this also generated a need to quickly develop national industries and some have seen it as a blessing in disguise.

Finland signed a Treaty of Friendship, Co-operation and Mutual Assistance with the USSR in 1948 and it defined the direction of Finnish foreign and security policy for decades to come.

On many issues with significance to both Finnish foreign and domestic policy, the guidance of Soviet leadership had to be sought. Regardless of the influence exercised by its powerful neighbour, Finland managed to maintain its independence and succeeded in introducing a foreign policy approach based on the principle of 'active neutrality'. Finnish democratic institutions survived despite the whispers about a potential Soviet invasion and a communist coup during the immediate postwar 'Danger Years' (1944-1948). It has been argued that the danger was averted primarily through the Finnish measured and cautious, firm and honest political leadership. Leading the way with constructing amicable relations with the USSR was President Juho Kusti Paasikivi (1946-1956) who already during the time of autonomy had been an advocate of compliance towards Imperial Russia. As the President of the Republic, he led the country by what became known as 'the Paasikivi doctrine', according to which, in order to protect Finnish independence, Finnish politics was to be built on an appreciation of the realities of superpower politics and maintenance of good relations with the USSR. His successor, Urho Kekkonen continued consolidated Paasikivi's cautious diplomatic approach, which began to be known as 'Finlandisation', a term coined by Kekkonen's critics.

Foreign policy continued to play a significant role in Finnish politics even after the dissolution of the USSR in 1991. Through its role as a neutral country positioned between East and West, one of the practical aspects of 'active neutrality', introduced by President Kekkonen, was for Finland to capitalise on its geopolitical position and to become known as an international mediator with an active role in international diplomacy. Some commentators have called Finland a 'good butler'. As an example of its rising status in the world of international

diplomacy, Finland hosted the first Strategic Arms Limitation Treaty (SALT) negotiations between the USSR, the USA and their allies in Helsinki in 1969. Initiating the process of negotiations in late 1960s and hosting the Conference for Security and Co-operation in Europe in 1975 that led to the establishment of the Organisation for Security and Co-operation in Europe (OSCE) was another achievement of Finnish 'active neutrality'. Leaders of the great powers got used to meeting and negotiating in Finland. In 1990, President Mauno Koivisto hosted a summit between Presidents George H. W. Bush and Mikhail Gorbachev where one of the main aims was to find an agreement on Iraq's withdrawal from Kuwait. In 1997 President Martti Ahtisaari hosted a meeting between Presidents Bill Clinton and Boris Yeltsin regarding NATO's plans of enlargement. This tradition has continued well into the post-Cold War era. For instance, Russian and American leaders held secret negotiations about the situation in Ukraine in Finland during the summer of 2014. The Nobel Peace Prize awarded to President Ahtisaari in 2008 for his life's career in international diplomacy is also one important acknowledgement how successful this Finnish foreign policy tradition has been.

From semi-presidential system to parliamentary democracy

Finland had established a semi-presidential constitution in 1919 and the balance of power tilted quite clearly towards the president in the Cold War Finnish politics. Executive powers were formally divided between the government and the President and the specific role of the President was to be in charge of Finland's foreign relations. However, as the borders between foreign and domestic politics were notoriously blurred – anything and everything in Finnish politics could have been considered to be of crucial importance to the diplomatic relations with USSR – it was possible to for the President to control most aspects of Finnish politics. President Kekkonen stretched this interpretation so far that some claimed he regularly went beyond his Constitutional rights but, as the boundaries between foreign and domestic politics were blurred, this was also not easily proven. Many have argued that, since Kekkonen enjoyed

an exceptional level of trust among Soviet leadership, there was a time when his firm grip in conducting Finnish affairs was absolutely necessary in order to maintain peace with the Soviet Union but that in the end this went on for too long. As Mauno Koivisto (SDP) got elected in 1982 to succeed Kekkonen, who had stepped down due to poor health, one of his long-term tasks was to start changing the constitution so that the excesses of Presidential power characteristic of the Kekkonen era would not be repeated. The President was permitted to serve a maximum of two six-year periods in office and since 1994 the President has been chosen through a direct popular election.

After President Koivisto's initiative, years of hard work and preparation resulted in the new Finnish Constitution coming into force in March 2000. One of the key changes introduced was a move away from the semi-presidential model of government into parliamentary democracy. From the perspective of the new Constitution, the political power resides now mostly with the Prime Minister. The role of the President is increasingly that of a ceremonial head of state with the exception that the President is still formally in charge of foreign policy together with the government and is the Commander in Chief.

Finland's place in the world after the Cold War

At the end of the Cold War Finland seized the opportunity to integrate itself properly into the family of European nation-states by commencing a process of joining the European Community (EC). The centre-right government of Prime Minister Esko Aho (CP) started the process by submitting an application in March 1992. Sweden had applied for membership in July 1991 and being able to follow its Western 'big brother's' example made it easier for Finland to submit an application. Many saw membership as the culmination of Finnish integration into international organisation that was started in the immediate postwar years. It was also seen as an opportunity of making a political statement: Finland belonged to the West.

The process of integration into the European society of nations had begun in the 1950s when in 1955 Finland joined both the United Nations (UN) and the Nordic Council. Finland became an associate member of the European Free Trade Association (EFTA) in 1961 and it signed a free trade agreement with the European Economic Community (EEC) in 1973. However, it was only during the reign of Mikhail Gorbachev as the leader of the Soviet Union that the process truly gathered pace. First in 1986, Finland became a full member of EFTA. Full membership had been previously blocked by the Soviet Union. And in 1992, Finland applied for membership in the EC.

In an advisory referendum on 16 October 1994 a majority of Finnish voters (56.9%) voted in favour of Finnish membership. On 1 January 1995, under the leadership of Prime Minister Paavo Lipponen (SDP), Finland, together with Sweden and Austria, joined the EU. In the second half of 1999 Finland held the Presidency of the Council of the European Union for the first time. One aim of 1999 Finnish presidency was to introduce and promote the Northern Dimension initiative, which has since then become a fixed collaborative network in the Arctic region between the EU, Russia, Norway and Iceland. Another aim of PM Lipponen, not entirely unrelated to the Northern Dimension initiative, was to strengthen Nordic cooperation within an expanding and enlarging EU. Finland signed the Schengen treaty together with Sweden and Denmark in 1996 and implemented it in 2001. After a period of austerity to meet the convergence criteria for EMU membership, Finland also joined the Economic and Monetary Union (EMU). The Euro was adopted as the currency in Finland in non-physical form in 1999. The markka was finally abandoned for use of businesses and customers in the beginning of 2002. It was under the leadership of Centre Party Prime Minister Esko Aho (1991-1995) and Paavo Lipponen of the Social Democratic Party of Finland (*Suomen Sosialidemokraattinen Puolue*, SDP) (1995-2003) that the process of Finnish integration into the EU was both started and completed.

Finland's European identity

The general debate on EU membership in the 1990s and the referendum debate itself were new territory for Finnish politicians and voters who until then had been used to having to ask for the Soviet Union's permission – and often being turned down – for such things. The country was divided on the issue and the debate ahead of the referendum was uncharacteristically fierce. The supporters were motivated by security and identity considerations. Apart from considering EU membership as a guarantee against aggression from the East, its supporters saw it also as an opportunity of joining the 'A Team' of European nations. By joining, Finland could make a statement to the world that, despite its slightly odd and unbalanced relationship with the USSR, it was firmly a part of Western Europe. The reasons for opposing membership concentrated mainly around questions of sovereignty and the risks membership posed for some key Finnish sectors, especially agriculture, and the welfare state. The risks of free mobility were also raised by some who opposed membership. The difficulties acknowledged for Finnish agriculture made the application process particularly difficult for PM Esko Aho, leader of the Centre Party. This is unsurprising, as around 94% of farmers were against membership and Aho's party was, after all, formerly known as the Agrarian League. It still depended on the support from rural Finland. Aho had considerable difficulties convincing his party's rank-and-file of the benefits of EU membership despite the reduced subsidies for farmers through the EU's Common Agricultural Policy. It was only after he threatened to resign over the issue that his party formally endorsed membership.

In the end, while the country remained divided on the issue, the security and identity politics angle won and the result was, in the end, rather clear. The approach of Finnish governments since has been to be an active and enthusiastic member of the EU. Paavo Lipponen who was the Finnish Prime Minister during the first eight years of membership certainly set a strongly

Euromphile example to his successors. He famously stated that Finland should attempt to 'enter all core areas of the EU'. Perhaps logically for a small country, Finnish governments and Prime Ministers, for instance Matti Vanhanen (CP) have also shared a firm commitment to develop a unified EU against the ideas of differentiated integration or a two-track system.

Membership in the European Union ended one era of Finnish politics, as technically at that point Finland ceased to be a neutral country. Through being a member of the EU, the EU's common foreign, security and defence policies also applied to Finland and it was actively shaping them. Despite the Europeanization of Finnish foreign and security policy the term that describes Finnish foreign and security policy is non-alignment as it still is not a member of the North Atlantic Treaty Organization (NATO). Until recently, the issue of NATO membership has been a taboo in Finland, the main reason being that applying for NATO membership might unnecessarily upset Russia. During the last years the political climate has become more open about this. Finland has deepened its collaboration with NATO through its membership in the NATO Partnership for Peace Programme and made its armed forces more compatible with NATO, and the issue is being discussed again.

Russia has made it clear on occasions that it sees the ever closer relationship between Finland and NATO as a threat. In July 2016, during a visit to Finland, President Putin stated that Finnish NATO membership would bring significantly more Russian troops to the Russian-Finnish border. In June 2016, as NATO's Baltops 2016 exercise was for the first time partially hosted by Finland, Russian leadership commented that the exercise was aimed against Russia and it would consider a reaction. Earlier in the spring Russian military experts warned Finland against NATO membership by saying that Finland as a NATO member would be seen as Russia's enemy. These attitudes have been around for a long time and Russian views about potential Finnish NATO membership have not changed since the end of the Cold War.

However, the official line of the Sipilä government and most political parties is currently that NATO membership is not a timely issue but that all options should be kept open, with the possibility of a referendum on membership if and when it became an issue. This is also the approach taken by President Sauli Niinistö. Political parties have been careful not to make clear statements one way or another but politicians representing the National Coalition Party (*Kansallinen Kokoomus*, NCP) have supported NATO membership more openly than some others. Alexander Stubb who held a number of top ministerial posts (Foreign Affairs, Finance, European Affairs and Foreign Trade) between 2008 and 2016, who was the leader of NCP 2014-2016 and Prime Minister 2014-2015, has openly advocated for Finnish membership. In general, while other parties might be more cautious about the issue, membership has gained more support within NCP.

Finnish Party Politics since the end of the Cold War

Postwar Finnish party politics was mainly dominated by two parties, CP and SDP. With the exception of the six apolitical caretaker governments, either CP (previously Agrarian League) or the SDP, or in most cases both, would feature in postwar coalitions. Since World War Two, the Prime Minister has been from the Agrarian League/Centre Party on 18 occasions and in 14 cases the government has been led by a Social Democrat. On one occasion the PM has been from the former umbrella party for socialists and communists, the Finnish People's Democratic League (*Suomen Kansan Demokraattinen Liitto*, FPDL), and once from the Swedish People's Party (*Svenska folkpartiet i Finland*, SPP). Since the late 1980s NCP, which was always considered too right-wing for the Soviet Union, has enjoyed considerable electoral success. After Harri Holkeri, the first postwar NCP Prime Minister (1987-1991), Jyrki Katainen (2011-2014) and Alexander Stubb (2014-2015) have also held the Finnish Premiership. Since the end of the Cold War the NCP has gone from strength to strength enjoying considerable electoral success while CP and SDP have struggled at times to regain their Cold War status as

the natural parties of government. Certainly, the story of the last couple of decades for SDP has been that of a steady decline. In the immediate postwar decades, the party was used to getting around 25% of the vote in all General Elections, and its most successful postwar result was the 28.3% it received in the General Election of 1995. However, in 2011 it dropped to 19.1% and in 2015 to 16.5%, results, which would have been embarrassing to the old SDP leaders. CP also started fading already in the 1970s and 1980s to results well below 20%. After the disastrous result in 2011, caused by years in power and as an outcome of the election funding scandal of 2008, the party bounced back by winning the elections in 2015 and getting again over 20% of the vote. The ability of a former agrarian party to reinvent itself and continue to be competitive in a 21st century context is truly remarkable. The election of the relatively inexperienced Juha Sipilä as the new leader of the party in June 2012 was a risk that clearly paid off. He represented a new beginning for the party and his inexperience in politics went down well with the people that were beginning to be disillusioned with the political class.

Overall, one of the features of the post-Cold War Finnish political landscape is the decline of mainstream political parties in general and especially the previously so powerful CP-SDP axis. Indeed, the system of three big parties, out of whom two would always be the senior coalition partners, dubbed the 'Finnish model' by some, seems to have gone through a transformation during the last few years. Instead of three big parties, Finland now has four medium-sized parties, none of which regularly poll well over 20%. Having said that, this is not so unusual in the postwar Finnish context, since during the height of the Cold War there were also four parties, CP, SDP, NCP and FPDL, in serious contention,. However, NCP was too right-wing for Soviet leadership, and it ended up spending most of its time in opposition, with CP and SDP dominating most coalitions. These popular CP-SDP governments became known as 'red-ochre' coalitions. Matti Vanhanen's (CP) first government (2003-2007) is so far the last of a seemingly dying breed. In terms of presidential politics, power has also shifted from the CP-SDP axis further to the right. After the long Presidential reign of Agrarian/CP Urho Kekkonen

(1956-1982), a string of three Social Democratic Presidents, Mauno Koivisto (1982-1994), Martti Ahtisaari (1994-2000), and Tarja Halonen (2000-2012) was followed by the first conservative President since Paasikivi (1946-1956), Sauli Niinistö (2012-).

The challenge of populism

As power relations between parties have shifted, political opportunities have been grasped by a new political force, the Finns Party (*Perussuomalaiset*, FP). The party was built on the ruins of Veikko Vennamo's Finnish Rural Party (*Suomen Maaseudun Puolue*, FRP), originally founded as a splinter party from the Agrarian League in the late 1950s. Vennamo disagreed with Urho Kekkonen's dictatorial style of politics and formed a new party that primarily campaigned on behalf of the 'forgotten people' against the corrupt political style of Kekkonen and his cronies. Vennamo's party was on occasions able to reach around 10% of the national vote in General Elections and even entered government in the 1980s. After internal turmoil and financial difficulty, the party went bankrupt in 1995. However, a successor party, the Finns Party, was formed on its ashes under the leadership of Timo Soini, who had been Vennamo's protégé and FRP's Party Secretary.

Soini and his new party took an openly populist approach to politics from the beginning, anchoring their approach at first more clearly to Vennamo's populism. Following a wider European trend, they then gradually added a stream of anti-immigration politics too. This was introduced to the party by the ex-show wrestler and actor Tony Halme who was, alongside party leader Soini and long-standing FRP and FP MP Raimo Vistbacka, elected to the *Eduskunta* in 2003. Dealing with Halme taught Soini how to handle crises and scandals, which there would be many to come. In the 2007 elections the party increased its share of votes from 1.57% to 4.05% and grew the size of its parliamentary group from three to five. However, the big breakthrough in the 2011 elections came in a way no one was able to predict. The party received 19.05% of the national vote and 39 MPs. The party was the only winner in the

election, since all other parties in *Eduskunta* lost votes and all but the SPP also lost seats. The Centre Party lost 16 of its 51 seats and the incumbent government lost a total of 27 seats.

CP had gone out of flavour due to the 2008 election funding scandal and its involvement in dealing with the Eurocrisis through the Greek and Irish bailouts certainly did not help. Even the change of party leader (from Matti Vanhanen to Mari Kiviniemi) did not help and the party was destined to be in the opposition. NCP for the first time in its history became the biggest party in *Eduskunta* and, following Finnish convention, its leader Jyrki Katainen began the process of forming a government. Negotiations took almost two months and the outcome was extraordinary. CP, the party of the incumbent PM Mari Kiviniemi had been the biggest loser of the election and it was clearly heading for opposition. After negotiating for almost a month, the Finns Party also withdrew from the coalition, since it could not agree to Katainen's commitment of supporting the bailout for Portugal. At that point Katainen needed at least one of the four big parties and a number of the smaller parties to form a majority coalition government. So, while SDP had produced its worst electoral result in over 100 years, it needed to be in government, since the Centre Party had lost by even a bigger margin. In an extraordinary move, the government Katainen ended up forming in June 2011 included six out of the eight parties in *Eduskunta*, leaving only the Centre Party and Finns Party in opposition. Katainen's ideologically and politically diverse government was nicknamed the 'six pack government'. It is the perfect example of the Finnish consensual style of politics. Almost all parties can happily sit with each other in a coalition government.

Katainen's government's starting point wasn't a particularly strong one. The only winner of the elections, the Finns Party, was not included and, while NCP had become the biggest in *Eduskunta*, it achieved this status through a relative defeat and loss of seats. Katainen's main government partner, SDP, had lost seats and achieved a record-low result and, hence, it wasn't in a particularly strong position. The government programme was a relatively ambitious one

but the diverse political set up of the coalition and the very challenging external conditions with the ongoing Eurocrisis and Finnish economic decline meant that it was faced with an uphill struggle from the beginning.

During the course of the electoral term, Katainen's 'six pack' went through a number of upheavals. First, in March 2014, the Left Alliance announced that it would be leaving the government as a protest to the government's budget framework proposals. In April 2014, Jyrki Katainen himself announced his departure from domestic politics. In June 2014 it was confirmed that Katainen would become the next Finnish EU commissioner. This triggered a leadership contest within NCP, which was won by Alexander Stubb who took over as PM for the final year of the government. Only a few weeks before the departure of Katainen in June 2014, Jutta Urpilainen was ousted as the leader of SDP by a grassroots coup within her party and the leader of the trade union Pro Antti Rinne, who had no previous experience of electoral politics at the national level, was elected as the new leader of the party. He also then became Urpilainen's successor as the Minister of Finance. To top a turbulent year, the Green League announced its departure from the government in September 2014, as a protest against the government's decision to grant a permit to Fennovoima for building a new nuclear power plant. The 'six pack' that Katainen formed in 2011 looked very different, as it started the final quarter of its four-year term – two of the parties had gone altogether and two out of the leading parties had already changed leadership.

The 2015 Election and the 'SSS' Government's turbulent beginning

The set up for the General Election of 2015 seemed clear from one perspective: It was almost certain that CP would bounce back. That much could have been said based on the results of the 2014 European Parliament Elections, which served as a useful 'dress rehearsal' for the 2015 General Election. The previous government had been a relative failure and even PM Stubb himself admitted that it hadn't been a successful one. As the results came in, it also looked

increasingly certain that the time of rainbow governments and wide coalitions consisting of many parties were over. The FP leader Timo Soini had already before the election labelled small parties 'burdock parties' due to their tendency to cling on to their bigger partners and suggested well before the elections that the aim should be to have a narrower coalition consisting of larger parties only. There clearly was resonance within the other main parties for this idea.

Hence, the coalition negotiations were started in early May 2015 between CP, NCP and TF. SDP was the biggest loser of the election and Sipilä preferred a coalition between the three largest *Eduskunta* parties. This also gave the government a healthy majority of 24 MPs (out of 200) and so smaller parties were not needed to fill the seats around the cabinet table. One of the smaller parties who many felt would have had a legitimate claim of entering government was the Green League that had received a considerable increase to its vote share and even more of an increase to its number of MPs. They went up by 50% from 10 to 15. However, it was clear that the Greens were one of the few parties that FP would have found it difficult to work with and, in any case, they were not needed, as the coalition was already more than strong enough. The only serious alternatives PM Sipilä had for his 'SSS' coalition (parties led by Sipilä, Soini and Stubb) was that of the big four or an old-fashioned 'red-ochre' coalition. However, as the three biggest parliamentary parties were able to establish a trust between themselves without any additional participants, this was seen as a straightforward choice. This also ended SPP's record long government period. They had been a junior partner in all government coalitions, barring the temporary caretaker governments, since 1972 and even before then they had been in almost all postwar coalitions.

Fiscal sustainability and the 'competitiveness pact'

The context within which Sipilä's government started its work was challenging to say the least. Standard & Poor's had dropped Finland's credit rating down from AAA to AA+ and the

economic forecasts did not look encouraging in general. Earlier in 2012 Nokia, a previous global market leader in mobile communications had entered a deep crisis and had cut thousands of jobs from its factories in Finland in 2012. Later in 2013, its mobile phones and services arm was sold to Microsoft, putting more question marks over the future of mobile phone manufacturing in Finland. Overall, Finland struggled with productivity and this, or at least so the government and the employers suggested, could be improved by increasing working time without a rise in cost of production. The narrative the government presented to the people was that Finland had fallen behind from its closest competitors and that a 'productivity leap' of 5%, or ca. €9,000m., would be needed to bridge the gap. This translated into the necessity of signing what Sipilä had already before the election labelled a 'social contract' between the government, employers and trade unions. This was essential, as Finland struggled with fiscal sustainability, 'kestävyyssvaje' in Finnish, a word which people had become very familiar with already well before the election in 2015.

A majority of the people seemed support the government and buy its reading of the gravity of the situation but the left wing opposition parties and the trade union movement considered the government's approach as nothing more than a threat. Essentially, the government had told the labour market organisations to sign a deal or face government imposed austerity legislation. While some people were perhaps questioning their motivations, the 'SSS government' was unanimous about the task at hand. The 'social contract' negotiations between the employers and trade unions became almost farcical, as the deadlines for reaching an agreement were never followed and negotiations broke down four times. On the fifth attempt, an agreement was reached but with a changed title. 'Social contract' had changed to a 'competitiveness pact'. The aim of the pact is to increase competitiveness by 3.5% by introducing cuts in terms and conditions of employment. In practice, this would mean, among other things, an annual increase of 24 hours to full-time contracts. The pact was signed on 14

June 2016 but business leaders have already voiced their doubts regarding the ability of the pact in achieving the desired effect in terms of increased competitiveness and productivity.

The second big reform that the Sipilä government wanted to conclude was already started by the previous government. The Centre Party wanted to tie a big social policy reform into a local/regional government reform, a dream the party had been harbouring for years. By giving more power from central government to the regions the party would be strengthening its position in the countryside where it has the strongest support. NCP was not happy about this and a row developed between the two government partners about the issue in autumn 2015, only a few months into the term of the government. NCP wanted a smaller number of social and health regions whereas CP was adamant on fixing the number at 18 and also tying the social and health reform into a regional government reform. The crisis was so deep that on 5 November PM Sipilä made a public threat of ‘marching to see the President the following morning’ (to dissolve the government) if an agreement on the number of regions in charge of social and health policy could not be reached. Eventually an agreement was reached. The number of regions is 18, as initially wanted by CP but NCP also got its way in the way the new social and health services are to be organised.

Apart from this, the government has prepared other new legislation and has had many of them accepted in the *Eduskunta*. The most significant of these relate to public sector cuts. The government was determined to cut €4,000m. from the public sector by the end of its term and it hasn't given up on this plan. They have so made cuts on education, unemployment benefits, reduced the subjective right to childcare, and introduced a pension reform that will gradually increase the minimum age of retirement to 65 years. They have also cut from international development and, in the aftermath of the recent ‘migration crisis’, tightened immigration laws and made family reunification more difficult, aims directly lifted from the election manifesto of the Finns Party. The government has also expanded shops' opening hours, put state-owned

companies for sale and introduced tuition fees for university students from outside of the EU and EEA.

From 'SSS' to 'SOS' government

The government has certainly had a turbulent first year. It had ambitious plans but partly also because of the nature of coalition government politics it has not achieved its aims as quickly as PM Sipilä would have wanted. His business background has shown, as he has seemed at times to be frustrated at the slow pace at which change happens in politics. What seemed initially to be a positive and energetic 'can do' attitude was eaten by internal bickering between NCP and CP and the steep decline in the polls by TF. During the first year of the 'SSS' government, NCP was faced with an internal leadership crisis and Alexander Stubb who had had a meteoric rise from an academic and bureaucrat to a leading light of the party, could not hold onto his popularity with the rank-and-file. He lost the party leadership to Petteri Orpo who also took his seat in the cabinet as the finance minister. FP battled with now familiar rows and scandals. Party leader Timo Soini and his colleagues have now developed a trademark approach to internal crises and while this has worked extremely well, the party continued to poll worse and worse. At the same time there has been more and more internal criticism directed at the way in which Timo Soini has led his party, be it that many have argued that he has managed to perform in a very statesmanlike fashion in his role as the Foreign Minister.

The early turbulence might have now steadied and the government can take some credit for achieving satisfactory outcomes from the competitiveness pact negotiations and being able to push through its programme of regional government reform. Many of the tasks are still unfinished and the government will implement the rest of its programme under circumstances where trust in its ability has decreased. In July 2016, less than a third of Finns trust that Sipilä's government is able to carry out its job during the remainder of its term.

Furthermore, like for so many Finnish governments before them, Juha Sipilä and his 'SOS' government (led by Sipilä, Orpo and Soini) will have their challenges and their potential solutions determined by events outside of Finland. The fast evolving European security situation and the European economic context, now also shaped by the Brexit vote in the UK will undoubtedly create more challenges for the Finnish PM and his government. However, while the government has declined in popularity, people still seem to believe in its leader.