FONDATION ROBERT SCHUMAN

European **Elections monitor**

Former President of the Republic Valdis Zatlers creates his own political party

from Corinne Deloy Translated by Helen Levy

> **J-7** 7 days before the poll

1.5 million Latvians are being invited to ballot on 23rd July next to vote by referendum on the future of their parliament. This popular consultation follows the announcement made on 28th May by the then President Valdis Zatlers that he was dissolving the Saiema (the only chamber of Parliament). To be effective this dissolution must absolutely be confirmed by popular vote. If a majority of citizens vote in favour on 23rd July the Saeima will be dissolved and new general elections will be organised, probably in September. In the event of the contrary Parliament will remain in office. No minimum participation quorum is required to validate the referendum result which will be decided by the simple majority vote.

Former President Valdis Zatlers justified his decision by MPs refusal on 26th May last to lift the immunity of MP Ainars Slesers, the leader of Latvia's First-Latvian Way (LPP-LC), who is suspected of paying out and receiving bribes, money laundering, false declarations and abuse of power. The vote by members of the Saeima denied access by the prosecutor to search is home.

Latvia has witnessed seven referenda since it won back its independence in 1991.

Valdis Zatler's political future

On 9th July, after quitting his presidential function, Valdis Zatlers officially announced that he would continue his political career and that he was creating a new political party, the Reform Party of Zatlers (Zatlera reformu partija ZRP) that lie centre-right on the political scale. The party's manifesto, which includes ten points, notably gives priority to the independence of the legal system, a healthy economy and strict monetary discipline.

"It is not a single man party, it is about listening to the people," declared the former Latvian president. He said that his party that is due to include around 8,000 members from civil society rather than from the political world, will be run differently. To date 700 people have asked to join. The party's inaugural congress will take place on 23rd July, on referendum day.

Valdis Zatlers said that he had decided to take this initiative after receiving many letters from Latvians asking him to continue his political career. Aivars Lembergs, Mayor Ventspils since 1988, who is under prosecution for corruption and money laundering, said that Valdis Zatlers had used the dissolution to bounce back from his failure to be re-elected as President in a dignified manner. According to the Mayor of Ventspils he decided to prepare the future of his own political career using the dissolution of the Saeima. "Valdis Zatlers wants to be a hero with an anti-Lembergs slogan" he declared. As for Ainars Slesers he is now forecasting that Valdis Zatlers will win the next general elections with his new party.

Valdis Zatlers therefore refused the offer of joining forces on the part of Unity (Vienotiba, V), the coalition led by Prime Minister Valdis Dombrovskis, that includes New Era, (JL), the Civil Union and the Society for Other Politics (SCP). "I am not convinced that Unity is ready to work in a new parliament that does not include oligarchs," he said indicating that his views differed from those of Unity on several issues. Prime Minister Valdis Dombrovskis said that the former President and his coalition shared a similar vision of the country's future.

The head of government said that the Latvian political scene was already extremely fragmented and that it did not seem wise to form a new party. Valdis Zatlers has however, not excluded cooperation with Unity in the future. "We shall not be adversaries but allies in the next general elections," declared Girts Valdis Kristovskis, chair of the Civic Union, one of the three parties in the Unity coalition.

The former Head of State did however say that he refused all collaboration with the Greens and Farmers Union (ZZS), a party that is a member of the present government or with "For a Good Latvia", a coalition comprising Latvia's First-Latvia's Way and the People's Party (TP), as long as the oligarchs are members of this coalition. When interviewed about possible work with Harmony Centre (Saskanas Centrs (CS), a coalition that lies to the left, rallying the National Harmony Party, the New centre and the Social Democratic Party led by Janis Urbanovics, Valdis Zatlers declared that he was ready to discuss issues with this coalition if its members were ready to acknowledge Latvia's occupation (by the Soviet forces) and to admit that Latvian is the country's only official language.

According to a poll undertaken by TNS Latvia for television channel LNT, more than half of Latvians (58%) consider the former President's action positively. A poll undertaken by TNS Latvia for the same TV channel said that one third of the electorate (33%) would also be ready to vote for the Reform Party.

Political expert, Janis Jurkans, believes however that the "creation of a new party will not be easy. Valdis Zatlers will face real opposition." In an interview given to the daily Latvijas avize, he said that the former President might not have enough time and resources if - in all likelihood - early general elections took place in September. Finally he asked him to be careful that members of other parties did not leave the latter to join the Reform Party in order to take advantage of his fame. Valdis Zatlers has already said that he wanted his party to rally the greatest number of young people who had no previous experience of politics.

Hence MP Klavs Olsteins (V) resigned in protest against the way that Andris Berzins was elected as President of the Republic denouncing secret side-line negotiations. Guntars Galvanovksis, MP also resigned from parliament. The two men have said they want to continue

their political career, but that they did not want to say whether they planned to join the Reform Party. Madars Lasmanis will replace Klavs Olsteins in the Saeima, Inese Aizstrauta (ZZS) will take the place of the new President of the Republic, Andris Berzins on the parliament's benches.

The Political and Economic Effects of Parliament's Dissolution

In the event of the "yes" winning the referendum on 23rd July next early general elections will certainly be organised in September. Speculation over the election is now ongoing.

The People's Party led by Andris Skele, member of the electoral coalition "For a Good Latvia" and one of the three oligarchs (with Aivars Lembergs and Ainars Slesers), specifically accused by the former President Valdis Zatlers in the TV programme Top Ten on 29th May last, had to repay to state budget 1 million lats party over spend during the elections to 9th Saeima. Their congress decided to end its existence. The party broke also its alliance with its coalition partner Latvia's First-Latvia's Way led by Ainars Slesers on 9th July last.

"All for Latvia!" and "For the Fatherland and Freedom Union" (TB/LNNK) led by Roberts Zile, two parties that work together in the coalition, National Union, decided to merge into one party which will be called "All for Latvia! For the Union for the Fatherland and Freedom" and will be led by the two men. These measures will take effect after the next congress that will take place on 23rd July next.

Valdis Zatlers' decision has revealed the fragility of the Latvian political landscape which did seem to have calmed down and grown stronger last year, notably because of the recreation of its political playing board and the re-election of Prime Minister Valdis Dombrov-

According to a poll by Latvijas Fakti in June, the Harmony Centre is due to win 18.1% of the vote in the general elections. It is due to come out ahead of the Unity coalition that is predicted with 14.7% of the vote and the Greens and Farmers' Union, which are due to lose ground, dropping to 10.5% of the vote. The National Union is credited with 8.8% of the vote;

the People's Party and Latvia's First-Latvia's Way are collapsing. According to a TNS poll for the TV channel LNT, 31% of Latvians believe that dissolution will be to the advantage of Harmony Centre and 17% believe it will be to the advantage of a new political party.

Most analysts agree to say that the political uncertainty associated with the dissolution and the possibility of early general elections, should not disrupt Latvia's socio-economic situation. The country is making a difficult recovery however from the trauma of the international economic crisis (18% recession of the country's GDP in 2009, the biggest decline in the EU). After a three year absence from the financial markets Riga has just raised 350 million €. Valdis Dombrovskis' government hopes to bring its budgetary deficit to 2.9% of the GDP by 2012 in order that Latvia can integrate the euro.

"The risks are short term - it is a question of informing the markets," declared Martins Kazask, chief economist for the Swedbank. Latvia's GDP rose in the first quarter of this year by 0.3% in comparison with the three previous months and by 3.5%, if it is compared with the same period last year. According to the Central Latvian Bank growth is due to rise to 3.3% in 2011.

According to a most recent poll 75% of Latvians are due to vote "yes" to the dissolution of the parliament on 23rd July. Less than one voter in ten (9%) say they support the "no" vote and 12% have still not made their choice. According to another poll 79% of Latvians approve their former President's decision to dissolve

Abroad the first polling stations opened for the referendum vote on 13th July.

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