FONDATION ROBERT

European Elections monitor

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The opposition party, Harmony Centre, comes out ahead in the general elections

On 17th September a leftwing party came out ahead in the general elections in Latvia for the first time since 1991, the year in which the country recovered independence. Harmony Centre (SC) won 28.37% of the vote and 31 seats in parliament (+ 2 in comparison with the previous election on 2nd October 2010). Harmony Centre took the lead over the Zatlers's Reform Party (ZRP), a rightwing group founded by former President of the Republic (2007-2011) Valdis Zatlers, which won 20.82% of the vote and 22 seats and Unity (V), the party of outgoing Prime Minister Valdis Dombrovskis, which won 18.83% of the vote and 20 seats (- 13). The centre-right also emerges strengthened after these elections and should be able to form a government.

National Alliance–All for Latvia, a new party that was formed after the merger of the Union for the Fatherland (TB/LNNK) and the far right party, All for Latvia (VL) is the other winner in this election. It has clearly gained ground coming fourth with 13.88% of the vote and 14 seats (+ 6), just ahead of the Greens and Farmers Union (ZSS), a member of the outgoing government coalition, which won 12.22% of the vote and 12 seats (- 9).

The other parties, including the People's Party (TP) led by businessman and former Prime Minister (1995-1997 and 1999-2000) Andris Skele Latvia's First-Latvia's Way (LPP-LC), led by Ainars Slesers did not manage to rise above the 5% threshold of votes cast, which are vital to be represented in the Saeima, the only chamber of Parliament. Both of these men were qualified, together with the Mayor of Ventspils, Aivars Lembergs (ZSS) as "oligarchs" by the former head of State, Valdis Zatlers, who on 28thMay last dissolved the Latvian parliament in protest against MPs' refusal to lift parliamentary immunity on Ainars Slesers, who is suspected of paying out and receiving bribes, of money laundering, of making false declarations and of the abuse of power. The dissolution of the Saeima led to the organisation of a referendum on 23rd July last during which the Latvians approved the decision taken by the former President of the Republic: 94.03% of those who voted, voted "yes" to the dissolution of their parliament. The three most famous oligarchs will no longer have a seat in the new Saeima; their political parties were the grand losers in the general elections on 17th September.

Turnout was lower than had been anticipated by the polls and slightly lower than that recorded in the previous elections on 2nd October 2010. It totalled 60.55% (-1.45 points). The constituency of Riga had the highest turnout rate (66.18%), with people in Zemgale abstaining the most (57.33%). Never have so many Latvians abroad fulfilled their civic duty since the general elections in 1993, even though, because of their rising number, their turnout rate was lower than that recorded in the previous election on 2nd October 2010. The way they vote is different from their fellow countrymen living in Latvia itself: 31.4%

of them voted for Unity, 22.96% for the Reform Party, 21.54% for the National Alliance-All for Latvia and 14.95% voted for Harmony Centre.

"I am convinced that Latvian leaders will be able to form a coalition in which the interests of all of the electorate will be represented," declared the Harmony Centre leader, Nils Usakovs. "It is important to form an effective coalition and to work on difficult decisions," he added. MP Andrejs Klementjeves (SC) maintained that his party's results could not be ignored and that the latter had its place within the next government. "The contrary would show a lack of respect of our electorate who represent one third of Latvians," he warned.

Harmony Centre's participation in the next government is however far from being guaranteed. "We shall first speak with Unity, then with National Alliance-All for Latvia, and only with Harmony Centre after that," indicated Edmunds Sprudzs, a candidate of the Zatlers's Reform Party running for Prime Minister. "First we shall meet the Zatlers's Reform Party," said Valdis Dombrovskis on the TV channel LNT. "We, Unity and myself, have certainly worked to achieve the best possible results. We are therefore read to continue in office," indicated the outgoing head of government after he had voted. "The Zatlers's Reform Party is the closest to us from an ideological point of view, Harmony Centre is the most distant," highlights the outgoing Prime Minister. "We shall continue our discussions, and I am sure that negotiations will be fruitful. Our main aim is to maintain stability," said Valdis Zatlers. Harmony Centre, the Russian speaking party that lies to the left of the political scale is the source of great mistrust in a country that has been badly scarred after fifty years of Soviet occupation and where the left is still associated with the past. Moreover the Zatlers's Reform Party and Unity disagree on a number of points with Harmony Centre, notably on economic and diplomatic issues.

In office since 2009 outgoing Prime Minister Valdis Dombrovskis undertook a severe austerity policy to bring his country out of the economic crisis it is suffering (recession of 18% in 2009, the greatest contraction amongst the 27 EU Members). Riga was only saved from bankruptcy thanks to the 5.2 billion lat loan (7.05 billion €) granted by the IMF (1.30 billion €) and the EU (3.1 billion €). Valdis Dombrovskis committed to ending the budgetary deficit and to stabilising the country's banking. To do this he undertook severe budgetary cuts, reduced retirement pensions by 10% and civil servants' pay by 35%; he also drastically reduced the number of civil servants and increased income taxes (+ 3 points on income tax and +3 on VAT, that now lies at 21%). The economic milieus are worried about Harmony Centre's possible participation in government that may bring some of these measures into question. Nils Usakovs' party indeed said it supported the renegotiation of the terms of the loan of 7.05 billion € (due in 2014) granted by the IMF to Riga and wants to review some of the cuts planned to reduce the budgetary deficit. Harmony Centre has set itself the goal of around 5% to 6% instead of the 3% (which matches the law set by the EU's growth and stability pact) which Unity and the Reform Party would like to achieve, since they want Latvia to adopt the single currency in 2014.

Apart from the supporting the economic reforms Zalters's Reform Party and Unity are demanding that Harmony Centre acknowledges the occupation of Latvia by the USSR between 1945 and 1991. To everyone's surprise on 16th September Nils Usakovs spoke of his country's recent past, mentioning the 50 years of occupation for the very first time during a conference in Riga. Finally Unity added a last condition if it was to envisage working with Harmony Centre: the acknowledgement of Latvian as the country's only official language. Recently Harmony Centre said it supported a moderate rise in the hours of Latvian language lesions in Russian speaking schools.

"A government coalition comprising the Zatlers's Reform Party, Unity and the National Alliance-All for Latvia seems to be the most likely," declared Ivars Ijabs, a political scientist at the University of Latvia. "There is a long tradition of blocking the Russians out," he added. "The formation of the next government will be more difficult than it was a year ago," declared the former president of the Republic (1999-2007) Vaira Vike-Freiberga.

If the parties do not come to an agreement, the Zatlers's Reform Party and Unity may decide to form a minority government coalition which would look for support with one or several other parties when it comes to major decisions. Indeed after three elections in 11 months (general elections on 2nd October 2010, a referendum on the dissolution of parliament on 23rd July and finally early general elections on 17th September), few politicians want to return to ballot now. The president of the Republic Andris Berzins warned just a few days ago that he would not start negotiations to form the next government before 28th September next when he comes back from the UN's General Assembly in New York. "These ten days will be used by the parties to come to an agreement. Negotiations will start on 28th September, everything will be done on time and the parties will be ready," he indicated.

"The next parliament will only have three years to prove that it can work better than the previous assembly. You will have to undertake your mandate in a world that is both more complex and more demanding. The world's economic situation is not really taking us towards optimism. As a result of this the next government will not be one in which individuals will fight it out but it will be one in which work will be done for and not against the interests of the Latvian people and the country," declared Andris Berzins as he spoke to the future MPs.

In line with the Latvian Constitution, the Saeima elected on 17th September will hold its first session next month i.e. on 17th October.



03

General Election Results 17th September 2011 in Latvia

Turn out : 60,55%

Political Parties	No. of votes won	% of votes won	No. of seats won
Harmony Centre (SC)	259 923	28.37	31
Reform Party (ZRP)	190 817	20.82	22
Unity (V)	172524	18.83	20
National Alliance e-All for Latvia	127 172	13.88	14
Greens and Farmers' Union (ZZS)	111 952	12?22	13
Latvia's First- Latvia's Way (LPP-LC)	22 130	2.42	0
Others	23 571	3.46	0

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