

The party of outgoing Prime Minister Andrius Kubilius pays the price of austerity and the left wins the general elections in Lithuania

As forecast by the polls the left won the first round of general elections that took place on 14th October in Lithuania. But contrary to what the polls said it was the Labour Party (DP), created in 2003 by billionaire Viktor Uspaskich, which won with 19.87% (17 seats). According to the results, which are still incomplete it came out ahead of the Social Democratic Party (LSP) led by Algirdas Butkevicius, which won 18.44% of the vote (15 seats). The Homeland Union-Conservatives (TS-LK) of outgoing Prime Minister Andrius Kubilius, won 15.02% of the vote (13 seats). The Liberal Movement (LRLS) led by Eligijus Masiulis, a member of the outgoing government, came fourth with 8.55% of the vote (7 seats).

The recently created party, the Path of Courage (DK) founded by former judge Neringa Venckiene following the paedophile scandal that involved her niece Deimante Kedynte won 7.94% of the vote and will therefore have 7 seats in the Seimas, the only Chamber in Parliament. Neringa Venckiene undertook a campaign denouncing the numerous shortcomings of the political system. For Order and Justice (TT), a right wing populist party led by former President of the Republic (2003-2004) Rolandas Paksas won 7.33% of the vote (6 seats). Led by Waldemar Tomaszewski, Polish Electoral Action (LLRA), a party created in 1994, which represents the Polish minority in Lithuania, won 5.81% of the vote (5 seats).

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Results of the 1st round of the general elections on 14th October in Lithuania

Turnout: 52.82%

Political Parties	% of votes won
Labour Party (DP)	19.87
Social Democratic Party (LSP)	18.44
Homeland Union -Conservatives (TS-LK)	15.02
Liberal Movement (LRLS)	8.55
The Path of Courage (DK)	7.94
For Order and Justice (TT)	7.33
Polish Electoral Action (LLRA)	5.81

Source : http://www.vrk.lt/2012_seimo_rinkimai/output_lt/rezultatai_daugiamand_apygardose/rezultatai_daugiamand_apygardose1turas.html

The Labour party and the Social Democratic Party are due to form a government coalition, perhaps with the help of Rolandas Paksas's party, For Order and Justice. *"It is an opposition party in parliament and we have already worked together,"* indicated the Social Democratic leader, Algirdas Butklevicius who added, *"We need a strong majority otherwise during the crisis our work may not last very long."*

The left has promised to increase the minimum salary to 1,509 litas (437 €) – at present it lies at 850 litas – to bring in a progressive income tax once more – (Lithuania has a flat tax of 15% in terms of VAT, income tax and business tax). *"If the labour market does not change there might be social disruption this winter with the price of heating rising,"* warned Algirdas Butklevicius.

The parties on the left also support a review of relations with Russia and are planning to start legal action against the Russian company Gazprom, which in their opinion, is providing gas to Lithuania at a price which is far too high.

Outgoing Prime Minister Andrius Kubilius certainly paid the political price of austerity which he introduced to counter the economic crisis that has severely affected Lithuania (the national GDP contracted by 15% in 2009). Although the country has recovered growth it remains that salaries and retirement pensions have decreased dramatically. The unemployment rate totals 13%. The support of the Estonian and Latvian Prime Ministers, Andrus Ansip (Reform Part, ER) and Valdis Dombrovskis (Vienotiba (V), Unity) were not enough for Andrius Kubilius to stay in office. He was the first head of government to have accomplished a full mandate, in spite of the extremely difficult economic context, since Lithuania won back its independence in 1991.

The Lithuanians were also called on 14th October to vote by referendum on the project to build a future nuclear power plant in Visaginas. The project associates neighbouring States Latvia (to a total of 20%) and Estonia (22%), Poland withdrew from the project in December 2011. Lithuania is

due to participate to a total of 30%. The plant should have a capacity of 1,300 megawatts and is due to be operational between 2020 and 2022. According to the outgoing government building the plant should reduce the price of electricity down to 50€ per megawatt hour. The Lithuanian Association of Urban Heating published a report in which it announced that the heating bill would undoubtedly be the highest in the country's history next winter. Lithuania imports 60% of its electricity and 80% of all of its energy.

More than six voters in ten (62.71%) rejected the nuclear project of Visaginas. One third (34.05%) answered "yes" to question: "Do you support the building of a new nuclear power plant in the Republic of Lithuania?" Turnout was over the 50% threshold (52.48%), and so the referendum is deemed valid. Although it was only consultative it will however be difficult for the next government not to take it into account the Lithuanian vote on this issue in the future.

The opposition parties disagreed over the referendum. The Social Democrats called to vote "no" whilst Viktor Uspaskich said he supported the building of the new plant if Latvia and Estonia joined the project. *"We support nuclear energy. As an economist I can say what counts for me, is the value of the project. I think that if a working group had been formed between economists, politicians, and people with knowledge and competence to assess a project like this we would not be obliged to hold this referendum today,"* said Algirdas Butklevicius.

"We shall wait for the second round. The Social Democrats generally achieve good results in the second round," indicated Viktor Uspaskich. Indeed we have to wait until 28th October next to have the final general election results. Previously the second round has never changed the results of the first round significantly. *"The second round might have an effect on the final numbers of mandates, but I would be very surprised if another coalition other than the one bringing together the three opposition parties (Labour Party, Social De-*

mocratic Party and For Order and Justice) was to be formed," declared Kestutis Girnius, a political analyst at the University of Vilnius. "These parties have cooperated together in the opposition and it would be extremely complicated for them to work with the conservatives or the liberals. For the time being it is difficult to see whether they will need to call on the smaller parties for help," he said.

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