

European
Elections monitor

Early risky General Elections for the outgoing Government in Latvia

from **Corinne Deloy**

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ANALYSIS
1 month before
the pool

For the second time this year and for the third time in less than a year the Latvians are being called to ballot on 17th September next to re-elect the 100 members of the Saeima, the only chamber in Parliament. This election that comes three years early, (the last elections took place less than a year ago on 2nd October 2010) is a result of the referendum on 23rd July, in which the population approved the dissolution of the parliament (94.30%) decided on 28th May by the then President of the Republic, Valdis Zatlers. According to the Constitution, the general elections have to be organised within the two months after the dissolution of parliament, i.e. before 23rd September. The new Saeima will be elected for a 3 year term in office. On 2nd June last Valdis Zatlers was replaced as head of State by Andris Berzins (who is close to the Greens and Farmers' Union), elected 53 by votes of the 100 members of parliament. Andris Berzins took office on 8th July last.

The Latvian Political Crisis

On 28th May last the outgoing President of the Republic of Latvia informed his fellow countrymen in a televised announcement on LNT that he had decided to dissolve the Saeima, according to the powers granted to him by article 48 of the Constitution. "I want to give hope that things can change. We have to put an end to behaviour which goes against the interests of our people and our country. This is why I want to tell you directly that I have signed the presidential decree requesting the dissolution of parliament and that I have submitted this to the Constitutional Court. The decree takes immediate effect." Valdis Zatlers justified his act by the parliament's refusal on 26th May to withdraw immunity from MP and businessman Ainars Slesers, leader of Latvia's First-Latvia's Way (LPP-LC), former Prime Minister (2002-2004), accused of paying and receiving bribes, money laundering, of making false declarations and abuse of power. Whilst several businesses, including the port of Riga, Euroline, and the Baltic Aviation System had already been searched, the Saeima's vote prevented the prosecutor's office from searching Ainars Slesers home. On 29th May in an interview in the programme Top Ten on LNT with regard to the identity of those he qualified as oligarchs, the head of State quoted three names 'the three A's' – according to the custom when talking of Ainars Slesers, Aivars Lembergis (mayor of Ventspils since 1988, under prosecution for corruption and money laundering) and Andris Skele (Prime Minister, 1995-1997 and 1999-2000); these three

men who are both politicians and businessmen have been the focus of police and legal investigations for the last twenty years.

By approving the decision of their former head of state en masse during the referendum on 23rd July last the people of Latvia especially gave expression to their weariness of the corruption that has been undermining their country for so many years. "To see the vote only as a sign of protest against the oligarchs would be simplifying matters. Our surveys reveal that the Latvians mistrust and have been dissatisfied with parliament for a long time, notwithstanding the oligarchs," said the director of the pollster SKDS, Arnis Kaktins before the vote.

On 9th July last after leaving his presidential post, Valdis Zatlers officially announced that he was creating his own political party, the Zatlers Reform Party (ZRP). The former President therefore refused Unity's offer, led by Prime Minister Valdis Dombrovskis, to work together.

Every party claimed victory in the referendum on 23rd July. "The referendum disqualified the government parties, Unity and the Greens and Farmers' Union. Those who are to blame are the oligarchs and the incompetent elements in Unity," declared Valerijs Agesins, Vice-President of the parliamentary group of the main leftwing opposition party, Harmony Centre (SC). "All of this is absurd. On no account is the dissolution of the Saeima an assessment of the policy undertaken by Unity but the result of the failure to lift immunity on Ainars Slesers," answered Ilze Vinkele, Vice-President of Unity's parliamentary group. "The People's Party and the Greens and

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Farmers' Union are the two parties which should learn from this," she added.

According to Augusts Brigmanis, leader of ZZS, the referendum result on 23rd July should make all MPs think. "It is a sign for the entire Saeima. Everyone should feel responsible, if not guilty," he said. Finally Edgars Zalans, leader of the parliamentary group of the coalition, "For a Good Latvia", blames Unity and its government partner, the Greens and Farmers' Union, for the dissolution of parliament.

The Election Stakes

Valdis Zatlers' decision and the referendum that followed have revealed the fragile nature of the Latvian political landscape, which did seem however to have settled down and to have consolidated over the last year, notably thanks to the re-shuffling of the political layout and the re-election of Prime Minister Valdis Dombrovskis in the general elections on 2nd October 2010.

The Zatlers Reform Party questions the fragile stability of the Latvian political landscape. It is working at present on its programme and is setting up its internal structure. In an interview with the daily *Latvijas avize*, political expert Janis Jurkans said that the former President might lack time, resources and leaders to achieve a good result in the general elections on 17th September next.

The party's manifesto published at the beginning of July comprised ten points, including independence of the legal system, a healthy economy and strict monetary discipline. Valdis Zatlers said that the ZRP will have a different role from the other parties. Klavs Olsteins, a Unity MP, who resigned in July in protest against the way that Andris Berzins had been elected president (he denounced the existence of secret negotiations), announced that he was joining ZRP. "In my short career I have understood that only the young generation would be able to achieve the in-depth, long term changes which the country requires. This is why I have decided to join Valdis Zatlers' new team," he said.

"We shall do our best to put an end to the power exercised by the oligarchs," declared Valdis Zatlers who is calling for a political approach that is closer to the people. He recently refused to debate with Aivars Lembergs. "I think that the oligarchs should not be listened to nor should they be taken into account," he said. This is an attitude criticised by political analyst Juris Rozenvalds. "He might say that he will not cooperate with certain politicians but he has to accept public debate with his rivals," he said.

Valdis Zatlers also stressed that the two parties in the outgoing government Unity and the Greens and Farmers' Union were both responsible for the mistakes that had been made and even more for the work they had not achieved when they were in office. Amongst these he

mentions improving the country's demographic situation, the reduction of unemployment and the development of an energy strategy.

Today Unity has to position itself against the ZRP. For the coalition of outgoing Prime Minister Valdis Dombrovskis, the alternative is simple: it can turn Valdis Zatlers into an ally or challenge him by highlighting the differences that exist between it and the ZRP. On 6th August last the 3 parties comprising the coalition Unity (New Era, Civic Union, Society for Different Politics) merged into one during their congress that took place in Valka (in the north of Latvia). The head of the outgoing government; Valdis Dombrovskis was unanimously appointed (minus his own vote) as the new party's candidate to run for Prime Minister. His programme includes the stability of the fiscal system, the reduction of unemployment, - which rose to 12.6% in June last - down to 7% of the working population, the investment of two billion lats (2.8 billion €) in industrial growth and the reduction of the informal economy by half.

The leaders of the parties in the old coalition - Valdis Dombrovskis, Girts Valdis Kristovskis and Aigars Stokenbergs - will be the lead candidates in the general elections on 17th September. Moreover Culture Minister Samirte Elete will lead Unity's list in the constituency of Zemgale and former Mayor of Daugavpils and leader of the party in the area, Janis Lacplešis, will lead the list in Latgale.

Less than a year ago on 2nd October 2010 the Latvians opted for continuity which meant painful political austerity and showed their political maturity by re-electing the coalition led by outgoing Prime Minister Valdis Dombrovskis. The latter, in office since 2009, had undertaken a severe austerity programme to bring his country out of the serious economic crisis that it was suffering at the time. At the end of 2008 the Latvian economy had reached its 2005 level before witnessing an 18% contraction of its GDP the following year. Latvia, which until then had been nicknamed the Baltic Tiger, was only saved from bankruptcy in December 2008 thanks to the loans of 5.27 billion lats (7.05 billion €) granted to it by the IMF (1.3 billion €) and the EU (3.1 billion €). Riga also received 1.4 billion \$ from the nordic countries, 400 million € from the World Bank and 500 million from the European Bank for Reconstruction and Development (EBRD). Latvia then had to start catching up on its budgetary deficit and stabilising its banking sector. When he took office Valdis Dombrovskis made severe budgetary cuts and reduced retirement pensions by 10% and civil servants' wages by 35% - he also drastically reduced the number of civil servants and raised taxes (+3 points on income tax and +3 points on VAT, which now lies at 21%).

According to the leader of Harmony Centre, Nils Usakov, the general election will lead to a change in the balance

(and the votes on the right) between Unity, the Reform Party and the parties in the National Alliance coalition. As a result his party should increase its influence. Latvian tradition dictates that the party that wins the greatest number of votes leads the government. Nils Usakov hopes therefore that the new party led by Valdis Zatlers will win enough votes from outgoing Prime Minister Dombrovskis so that the Harmony Centre will win the elections on 17th September next.

The party has been improving its position constantly since its creation in 2005. Since it has never taken part in government it has not had to face any criticism. Moreover many Latvians say they are satisfied with the party's work locally in the towns where it is in office. Finally voters, who are tired of the scandals in which some "Latvian" parties have been involved may very well take the initiative and choose to trust a leftwing party on 17th September next.

The outgoing Prime Minister recalled that he had been the first to invite Harmony Centre to join the government. Valdis Dombrovskis set three conditions to this: the party's acknowledgement of the Soviet occupation of Latvia, its acceptance that Latvian would be the country's only official language and its support of economic reform. The People's Party (TP) led by Andris Skele and Latvia's First-Latvia's Way led by Ainars Slesers, both members of the electoral coalition "For a Good Latvia" chose to stand separately before the electorate on 17th September next. The two parties broke off their alliance during their congress on 9th July last. "I do not agree with people who think that those with experience in the business world do not have a role to play in parliament. As long as we have the people's support we shall sit in Parliament," declared Ainars Slesers recently.

On 5th August Ainars Slesers modified the name of his party for the electoral campaign, Slesers Reform Party-Latvia's Way (according to the model set by the Zatlers Reform Party) with the aim of revealing Valdis Zatlers' hypocrisy, who in his opinion, is thinking more of his own political career than that of the country. He says he supports an increase in the State budget. "Don't save, earn money!" will be the party's motto in the general elections. The two parties in the National Alliance coalition - "All for Latvia" led by Ratvis Dzintars and For the Fatherland and Freedom led by Robert Zile - decided to merge into one under the name All for Latvia-For the Fatherland and Freedom. It will be led by both men. "The idea is clear: when Latvians think of their country divisions between parties have to disappear. Latvia failed because the means were taken for the ends. Political parties are the means the aim is to live in a fair, Latvian Latvia. The merger of our two parties is a step towards this goal," said Ratvis Dzintars. The new party which has said it is ready to work with Unity, the Greens and Farmers' Union,

the Zatlers Reform Party hopes to double its representation in parliament (8 MPs at present) after the elections on 17th September next.

The return of Latvians who left to work abroad, the reduction of naturalisations, the ban on dual nationality in the event of treason, the development of the region of Latgale (in the east), the least developed in Latvia, are some of the measures that feature in the new programme's party. All for Latvia-For the Fatherland and Freedom hopes to grant the voting right to children (enjoyed by the parents until the children are of age) and to reduce the civic age of majority to 16. It will put 115 candidates forward.

The co-chair (with Tatiana Zdanoka) of For Human Rights in a United Latvia (PVTCL), Jakovs Pliners, said he was confident that his party would succeed in winning seats in the next general election. He will be heading the party's list in Riga. Economic recovery, improvement of Latvian daily life and relations with neighbouring Russia, the strengthening of the status of the Russian language are its priorities. It will be presenting 85 candidates on 17th September next.

The Latvian Political System

Since 1998 the 100 members of the Saeima have been elected for four years by proportional voting according to the Sainte Lagüe method. Voters opt for a list but may distinguish with a plus or minus sign the candidate or candidates they prefer on this list, i.e. who they want to encourage or who they want to exclude. All political parties have to win at least 5% of the vote in order to be represented in Parliament. In general elections Latvia is divided into five electoral districts: Riga (also the constituency of Latvians living abroad), Vidzeme, Latgale, Zemgale and Kurzeme. The number of seats available in each constituency (which ranges from thirteen to 29) is set by the Central Electoral Commission four months before the election depending on the number of people on the electoral roll. Candidates standing in the general election must be aged at least 21. Since 2009 people having worked as technicians in the former Soviet security services are allowed to stand in the elections. Moreover multiple candidacies are now banned: an individual can only stand in one constituency.

The Latvian Parliament recently adopted a law which establishes political party funding by the State: any party that wins at least 2% of the vote cast in the general elections receives an annual cheque of 0.5 lats (0.71 €) per vote. We should note that Latvia is the only country in the EU without legislations on subsidies granted to political parties. As a result the parties are highly dependent on the oligarchs, and even funding from abroad, which is one of the country's major problems. Company heads

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rapidly integrated political movements and parties which were founded when the communist system collapsed and independence was won. They still have a high profile in these institutions, preventing the political system from becoming autonomous (the parties are not considered as public institutions) and impeding the rise of a real Latvian civil society.

15 political parties are represented in the Saeima as follows:

- the 3 parties of the coalition Unity (Vienotība, V): New Era (JL), led by Solvita Aboltina and the party of the outgoing Prime Minister Valdis Dombrovskis, the Civic Union, a party comprising members of New Era which left the party and independents chaired by Girts Valdis Kristovskis, and the Society for Different Politics (SCP) led by Aigars Stokenbergs. Lying to the right on the political scale Unity merged into one on 6th August last and it has 33 MPs;

- the 3 parties of the Harmony Centre Alliance (SC) : the National Harmony Party, New Centre and the Social Democratic Party is led by former journalist of the First Baltic Channel and the present mayor of Riga Nils Usakovs. The coalition was formed on 10th February 2010 and has 29 seats;

- the Greens and Farmers' Union (ZZS), is a member of the outgoing government and is chaired by Augusts Brigmanis; it brings together the Union of Latvian Farmers, the Green Party and For Latvia and Ventspils led by Aivars Lembergs. The party has 29 seats;

- the 6 parties in the coalition "For a Good Latvia" (PLL): the People's Party (TP), is led by Andris Skele; Latvia's First-Latvia's Way (LPP-LC) has been led since November 2009 by Ainars Slesers, For a Better Latvia is led by the director of the TV channel LNT, Andrejs Ekiš and three regional parties (including the People of Latgale, LT, United Rezekne, VR and For the

District of Ogre, ON). Founded on 26th April 2010 the coalition, which has since decided to separate, has 8 seats;

- the 2 parties in the National Alliance coalition : For the Fatherland and Freedom (TB/LNNK), is led by Roberts Zile and the far right party "All for Latvia" (VL), is led by Rāstis Džintars. The coalition has 8 MPs.

Many observers of Latvian political life believe that the general elections on 17th September next will not bring about any significant changes in Latvia. But no one can be sure of this.

Several government coalitions might be possible. Amongst those most often quoted is an alliance between Unity, the Zātlers Reform Party and Harmony Centre; an alliance between Unity and Nils Usakovs' movement and even an alliance between the Greens and Farmers' Union and Harmony Centre may be possible.

According to the latest poll dated mid-August, one quarter of voters (25%) were going to vote for Harmony Centre, 12% for All for Latvia-For the Fatherland and Freedom and 12% for the Zātlers Reform Party. Unity is due to win 6% of the vote, the Greens and Farmers' Union, 4%, Latvia's First-Latvia's way and For Human Rights in a United Latvia, 1% each. One third of those interviewed (33%) say however that they still have not chosen who to vote for.

Only 16% of Latvians believe that the general elections will bring about "qualitative changes" to Parliament according to a survey undertaken in August by TNS Latvia for the TV channel LNT. Whatever the result, the future government's main task will be to continue on the path of economic recovery. Latvia must succeed in reducing its budgetary deficit if it wants to fulfil the criteria for the adoption of the single currency and join the euro area in 2014.

Reminder of the General Election Results of 2nd October 2010 in Latvia

Turn out : 62%

Political Parties	No. of votes won	% of votes won	No. of seats won
Unity (V)	301 424	31,22	33
Harmony Centre (SC)	251 397	26,04	29
Greens and Farmers' Union (ZZS)	190 025	19,68	22
National Alliance	74 028	7,67	8
For a Good Latvia (PLL)	73 877	7,65	8
Others	54 074	5,60	0

Source : Internet site of the Central Electoral Commission of Latvia
<http://www.velesanas2010.cvk.lv>

Harmony Centre (the leftwing opposition) ahead in the polls for the general elections in Latvia on 17th September

13 political parties^[1] (12 of which are putting forward candidates in the five country's regions: Riga (30 seats), Vidzeme (27), Latgale (15), Zemgale (15), Kurzeme (13)) are standing in the general elections on 17th September next in Latvia, i.e. the same number as in the previous election that took place on 2nd October 2010. 1,092 people will be standing for a seat in the Saeima, the only chamber in Parliament. 77 polling stations will be open for Latvians living abroad.

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7 days before
the pool

The chairman of the Central Electoral Committee (CVK), Arnis Cimdars has suggested that Latvians have the possibility of fulfilling their civic duty during the three days prior to the election to increase turnout. He also said he was against internet voting, that is used in neighbouring Estonia, believing that the network was not safe enough for an operation like this.

According to Arnis Cimdars, two thirds of those registered (67%) are due to vote in the election. This figure is based on the turnout recorded in the referendum on 23rd July last on the dissolution of parliament (44.73%), a comparatively high figure in the light of previous popular consultations. "There are new, stronger parties who have renewed their candidates' lists, which should influence turnout," he declared.

After the referendum on 23rd July last (94.30% of the electorate voted in support of the dissolution of the Saeima), the general election should see the decline of the influence of the oligarchs, the three main representatives being Aivars Lembergs (Green and Farmers' Union, ZZS), mayor of Ventspils since 1988, under prosecution for corruption and money laundering, Andris Skele, leader of the People's Party (TP), member of the electoral coalition "For a Good Latvia", former Prime Minister (1995-1997 and 1999-2000), and Ainars Slesers, leader of Latvia's First-Latvia's Way (LPP-LC), former Deputy Mayor of Riga, suspected of paying out and accepting bribes, money laundering, of make false declarations and of abuse of power.

Moreover, the voters do not base their choice on the economic programme of political parties. They still prefer to vote for personalities.

Finally the election on 17th September may see the victory of a leftwing opposition party. Indeed Harmony Centre (SC) led by the Mayor of Riga, Nils Usakovs,

may very well win the greatest number of votes and participate in the next government.

Many political and economic analysts believe that victory on the party of Harmony Centre would threaten Latvia's financial stability and its economic recovery. Nils Usakovs' party has indeed declared that if it takes part in government it would ask for the negotiation of the terms of reimbursement of the 7.5 billion € loan (due in 2014) granted by the IMF and that it would put a stop to some of the cuts that have been planned to reduce the budgetary deficit. Harmony Centre has set the deficit goal at 5% or 6% instead of the 3% (which would match the obligations set by the EU's Stability and Growth Pact) demanded by the outgoing government led by Valdis Dombrovskis (Vienotiba, Unity, V). Latvia adopted severe austerity measures to regain control of its finances, to emerge from the economic crisis, which affected it badly, so that it can adopt the single currency in 2014 (which is supported by most political parties). Harmony Centre may challenge this austerity policy if it comes to power.

"The prospect of seeing Harmony Centre in office is quite high," says Nils Muiznieks, director of the Social and Political Research Institute at the University of Latvia, adding, "they really hope to govern. The party will sign unconditionally to enter government in spite of what it members say today." According to Edgars Rinkevics, former head of the cabinet of President of the Republic, Valdis Zatlers, the next government will comprise Unity (V) and the Zatlers Reform Party (ZRP) which will join forces with Harmony Centre or with National Alliance, a new party that emerged after the merger of the Fatherland Union and Freedom (TB/LNNK) and of the far right party, All for Latvia (VL). Janis Ikstens, political expert, believes that Unity and

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Harmony Centre will find it difficult to come to agreement because of their differences over the economy and foreign policy. Foreign Minister Girts Valdis Kristovskis (V) said that he thought it vital for the position he held to remain in the hands of someone on the right. In his opinion, Harmony Centre has not shown itself to be a sufficiently mature political force to undertake such responsibilities and that it would be unable to "defend the interests of the Latvia nation". According to Wikileaks, the USA has said it is concerned about the increasing influence of Harmony Centre and of its possible participation in the next Latvian government. Support to economic reform is only one of the conditions set by Unity on Harmony Centre (if it came out ahead in the election) for it to be able to join government. The acknowledgement of Latvia's occupation by the USSR between 1945 and 1991 is also vital issue for the Prime Minister's Party. "Admitting occupation would affect our electorate. Everyone who came to Latvia after 1940 would then have to consider themselves as occupiers and witness a reduction of their rights," declared Boriss Cilevics, MP (SC).

Latvians comprised three quarters (77%) of the country's inhabitants in 1935 and only half in (52%) in 1989. They now represent 60%. The Russian speaking community comprises 600,000 people i.e. one third of the country's inhabitants. According to figures released by the Citizenship and Migratory Affairs Bureau, nearly 335,000 of them are without a nationality (715,000 were in this position on independence in 1991). Most of them have "non-Latvian citizens'" passports. Their status gives them the right to live in the country and have access to social services. However they cannot vote in the national or local elections or work in the police force or the army and they have to have a visa to travel to some countries.

On the initiative of "For Human Rights in a United Latvia" (PCTVL), which defends the rights of the Russian speaking minority, the "non-citizens" launched a campaign to collate signatures to request the organisation of a referendum on their access to Latvian citizenship. "We call on all of those who support us and all Latvian citizens to take part in the collation of these signatures to organise a referendum, to put an end to ethnic discrimination and to restore fair relations between all Latvians. We are asking for universal

voting rights and the unity of the inhabitants of Latvia," reads the appeal.

"It is our aim to prevent the oligarchs and economic interests from influencing Latvian politics and the government. Our party is completely independent of the businessmen and of any economic interest," declared Valdis Zatlers, former President of the Republic (2007-2011) and leader of the Zatlers Reform Party, for which Edmunds Sprudz is standing for the position of Prime Minister.

"Valdis Dombrovskis's second government (elected less than a year ago!) was unable to meet the electorate's expectations and the referendum result of 23rd July is not flattering," indicates Valdis Zatlers. Leader of the Saeima, Solvita Aboltina (V) answered that the result of the popular consultation was especially the expression of the opinion that Latvians have of the politicians who have governed the country for the last 20 years and of their desire to see things change quickly. She quoted the return to budgetary balance as the greatest success of the government led by Valdis Dombrovskis. Solvita Aboltina has compared the electoral promises made by the Greens' and Farmers' Union on retirement pensions with those made to soldiers and farmers during the Bolshevik period. "It is easy to promise people that they will be given everything they want but political leaders have to take reality into account" she declared. She quoted the Zatlers Reform Party as the one whose programme most resembled that of Unity. The leader of parliament did however criticise the people chosen by Zatlers's party to take up ministerial posts, qualifying them as "incompetent in their sectors". "Political leaders have to be able to govern together. We need to develop our country which we might only do if we succeed in forming a stable government," she indicated.

"Those who supported Valdis Zatlers during the referendum hope that he will change their lives. He will not do it and that is what I'm frightened of" declared Ivars Ijabs, political scientist at the University of Latvia.

Roberts Zile (TB/LNNK) said that he would decide after the results on 17th September whether to remain with or quit the National Alliance. He has suspended his co-presidency of the party (which he undertook with Ratvis Dzintars) whose radical nature and nationalism he has said he deplors. Guidis Berzins is running for

the National Alliance for the post of Prime Minister. Finally, and according to Ainars Slesers, three parties (Latvia's First-Latvia's Way, the Greens' and Farmers' Union and Harmony Centre) could win the majority of seats in parliament on 17th September next. By this he means that Harmony needs Latvia's First/Latvia's Way. According to the latest polls only 5 parties will rise above the vital 5% threshold necessary to enter parliament.

Harmony Centre is due to come out ahead in the election, followed by Unity, Zatlers's Reform Party, National Alliance and Greens' and Farmers' Union.

The President of the Republic, Andris Berzins said on 7th September that he would not start negotiations to form a government before 28th September next, the day on which he returns from the UN General Assembly in New York. "These ten days will be used by the parties to come to agreement. I do not see any problem in this. Negotiations will start on 28th September, everything will be done on time and the parties will be ready," he said.

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

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 28th May 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.

RESULTS

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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 Klementjevs (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 Sprudzis, 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 Zatlers'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 lessons 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 Sep-

tember), 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 as-

sembly. 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.

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

Source : Internet site of the Central Electoral Commission of Latvia
<http://www.velesanas2011.cvk.lv>

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