

# ELECTIONWATCH

## LATVIA



### Latvia Pre-Election Watch: October 2010 Parliamentary Elections

The new democracies of Central and Eastern Europe have all suffered a crisis of public confidence over the last several years, but nowhere has this crisis been deeper and more broadly felt than in Latvia. After a string of several years of strong economic growth between 1998 and 2006, the country was hit very hard by the global economic downturn of late 2008, and suffered a fall in gross domestic product of 26.54 percent from 2008 to 2010 - the worst economic performance of any country in the entire European Union (EU). By April 2010, the national unemployment rate was 22.5 percent - again the worst in the EU. By December 2009 the situation had become so critical that the International Monetary Fund was called upon to work out a €7.5 billion economic rescue package to prevent the country from falling into insolvency.

Latvia today continues to suffer from the intertwined challenges of a failed economy that shows only few signs of turning around and widespread public conviction that the country's political class is incapable of managing the affairs of state and committed only to its own enrichment. Results from the regular [Eurobarometer survey](#) and other polling efforts show that a full 95 percent of Latvia's citizens do not trust the country's political parties to handle the problems faced by the people; 92 percent have no confidence in the parliament; and 88 percent have no trust in the country's government.

Most strikingly, this high level of dissatisfaction predates the beginning of the harsh economic situation and is an expression of the frustration on the part of the public with the corruption it believes dominates political and economic decision making. As far back as 2007, the country saw large demonstrations in the capital of Riga kicked off by the decision of then Prime Minister Aigars Kalvitis to suspend the country's top anti-corruption official. Public anger turned at this point to a call for a constitutional change that would allow the parliament, the *Saeima*, to be suspended by referendum. President Valdis Zatlers took up the call for reform inside the government and parliament, but was unsuccessful in convincing parliament to respond, despite the fact that referendum supporters, organized around the left-of-center opposition and led by the Free Trade Union Confederation, had collected more than 217,000 signatures on a petition calling for reform (this represents 40,000 more individuals than actually voted for the winning party in the 2006 national election).

When parliament failed to act, the referendum was scheduled for August 2, 2008. A total of 96 percent of voters supported the proposed constitutional change, but turnout fell below the 50 percent needed, making the result legally invalid but leaving the situation highly politically charged. In the end, parliament and the president responded to public pressure and amended the constitution. The changes, which go into effect after the parliament is elected in October 2010, will make Latvia the only country in the EU in which the public can terminate a parliament by referendum.

In the midst of this ongoing constitutional and economic crisis, several governments and prime ministers have come and gone. The coalition government of Prime Minister Kalvitis elected in 2006 included Kalvitis' People's Party, a bloc created by Latvia's First Party and Latvia's Way (LPP/LC), the Greens and Farmers Union, and For Fatherland and Freedom/LNNK (TBL/LNNK). Kalvitis resigned in the wake of the November 2007 demonstrations and was replaced as head of government by Prime Minister Ivars Godmanis, who led the LPP/LC alliance.

By January 2009, however, huge, peaceful anti-government protests had turned to riots, and Latvia's farmers organized to block roads into and out of Riga in February. Godmanis and the rest of the government resigned and were replaced by a new government led by Prime Minister Valdis Dombrovskis, whose New Era party joined the ruling coalition, which was also supported by the Civic Union, created earlier by defectors from New Era and TBL/LNNK. In March 2010, the People's Party left the coalition and LPP/LC was invited to rejoin; although it declined, it has supported the minority Dombrovskis government since that time, as regularly scheduled parliamentary elections loomed in October 2010.

## What's at Stake and Who Is Who?

The October 2 parliamentary elections will elect 100 members to the 10th freely elected Saeima since Latvia regained its independence from the Soviet Union in 1991. Members will be elected for a four-year term on a party-list, proportional-representation system using a five percent threshold and an unmodified *Sainte-Lague* method for allocating seats. The country is divided for parliamentary elections into five electoral districts (Kurzems, Latgale, Riga, Vidzeme, and Zemgale), from which members are elected from party lists. Voters are also able to move candidates up on the party list by marking preferred names with a plus sign or to strike candidate names off the ballot - a practice often used.

Remarkably, Latvia's national elections are conducted without the use of a single voters' register. Voters are allowed to cast their ballots in any of the five electoral districts, whether they live or work there or not. Critics say that this procedure opens the door to manipulation of voting, but officials argue that a stamp entered into a voter's passport is proof of his or her having voted and eliminates the chance that a voter could vote twice. A total of 1,532,851 people are eligible to vote in Latvia, as are 41,116 individuals living abroad. Citizens outside Latvia can vote by mail or in person at one of 64 polling stations abroad. One point of continuing criticism from international organizations pertains to the more than 300,000 residents of the country who are ethnically Russian and do not have Latvian citizenship and, as a result, are not allowed to vote.

As the result of changes in the elections system demanded by civil society, supported by President Zatlers, and recently implemented, candidates for the first time will be limited to running in only one of the five districts, thus eliminating the previous "wagon" system, which allowed candidates to run in all districts, be elected in one, and have others from the same party move up to take the places the lead candidates won in other districts. One immediate impact of this change is the creation of new political party alliances and a reduction in the number of candidate lists from 19 in the previous elections to 13 for this October.

This process of consolidation and integration of parties characterized the political scene in 2010. Early in the year, the People's Party, which is a member of the center-right European People's Party family and which won the 2006 elections, joined forces with LPP/LC, which is in the Alliance of Liberals and Democrats in Europe, to form the For a Good Latvia (PLL) alliance.

PLL has marketed this alliance under the name AS2 to refer to the two business magnates who lead it - Ainars Slesers and Andris Skele. A new grouping of three center-right parties, called Unity and including New Era, the Civic Union, and the Society for Different Politics, was also cobbled together around current Prime Minister Dombrovskis in 2010. Further to the right, the nationalist vote is covered by the national-conservative TBL/LNNK and the new, radical nationalist All for Latvia (VL) which formed the National Alliance.

On the Left, the field is dominated by the Harmony Centre, which was the first to file its candidate lists with the Central Election Commission this year - on the day the period for filing opened - and which itself includes the New Center, the National Harmony Party, the Latvian Socialist Party and others. The party put forward a full list of 115 candidates for all five election districts, with its candidate for prime minister, Janis Urbanovics, in first position in the Riga district. Harmony Centre is widely regarded as being "pro-Russian" in a country that has a Russian minority population approaching 30 percent of the total, and made a political statement in 2009 when it won the municipal elections in Riga and put an ethnic Russian, Nils Usakovs, in the mayor's seat. The once strong, but now declining party incarnation of the pro-Russian vote, For Human Rights in United Latvia (PCTVL), is also on the left, as is a social-democratic coalition called Responsibility including the Latvian Social Democratic Party, the Social Justice Party, the Latvian Awakening and others.

A further bloc of relatively powerful green and agrarian parties (together they hold 36 of 100 seats in the current *Saeima*) under the banner called the Union of Greens and Farmers includes the Centre Party-Latvian Peasants' Union and the Latvian Green Party.

## The Campaign and Its Major Themes

In such a tense political and economic situation, it is no surprise that the campaigns of all the major parties and coalitions break down according to a "right-direction/wrong-direction" paradigm. In the lead of the governing Unity coalition, Prime Minister Dombrovskis has been bravely trying to argue that the country has now put the worst of the economic disaster behind it and that only he and his allies have the skills to lead the country fully out of crisis. In July, he presented his plan for the country's economic development, his so-called "eight commandments," designed to increase the gross domestic product by 20 percent in the next four years, increase the number of companies per 1,000 residents from 31 to 50 by 2013, establish a national development bank, promote employment through the creation of micro-enterprises with a goal of reducing unemployment to seven percent, and bring home at least 20,000 residents who have left Latvia in recent years. Dombrovskis has called for higher taxes on consumption, capital and property, but has said the personal income tax should be reduced to 22 percent in 2013, at the same time increasing the tax-exempted minimum income. Attempting to define the terms of the campaign debate, in August he held a press conference in Riga to declare the recession over and to predict that the economy would return to growth in the second half of the year.

Dombrovskis' Unity coalition has also structured its campaign as a personal competition

between the prime minister (an ethnic Latvian) and lead Harmony Centre candidate Urbanovics. This attempt to frame the race for the prime minister's office plays on fears among Latvians that Harmony Centre will become the biggest party in the new *Saeima*, and take the country in an unwelcome pro-Russian direction. In fact, Harmony Centre's recent success is largely attributable to Riga Mayor Usakovs, who represents the new, young, and not-yet-corrupted generation of ethnic Russian political figures who have been successful precisely because they can draw upon at least some ethnic Latvian voters. Implicitly criticizing the oligarchs, Usakovs said in his 2009 campaign that, "You can't run your country like a business; you have to treat your country like your family."

Harmony Centre messages in the current campaign take a similar, comforting, socialist approach; the party webpage, in fact, features a video clip from Usakovs finishing with the promise that "everything will be alright."

Although the country is quite small geographically, television and radio play a very large role in the campaign. Several outside analysts have noted that the lack of transparency in media-outlet ownership, and the apparent close ties between specific media and parties and/or candidates is a chronic weakness in the Latvian political system. With each election cycle, the role of online media is also increasing. On September 4 and 11, for example, Riga-based HansaMedia organized two online televised debates, with the September 11 telecast aimed in particular at Latvian voters in Canada and the United States, and the September 4 debate targeted at those living in Europe.

## Possible Outcomes

While the Harmony Centre is in first place in all opinion surveys leading up to the October 2 vote, with between 15 and 20 percent of decided voters, polls also suggest that more than 20 percent of the electorate has not yet decided for whom to vote (this particularly so among ethnic Latvian voters) and that voter disgust with the political system may significantly dampen overall turnout, making predictions quite precarious. Remarkably, most polls also show Dombrovskis' Unity coalition in a relatively strong second place with between 10 and 12 percent, and the Union of Greens and Farmers between eight and 10 percent. All three of these blocs are likely to enter parliament, but for other parties and coalitions the fight to achieve seats is more desperate. The VL nationalist group stands at approximately four percent, with the PLL and the PCTVL both around three percent, all short of the five percent threshold to enter parliament.

Most commentators suggest that with Harmony Centre winning a plurality, but not a majority, its most likely coalition partners include the PLL (or AS2) alliance, with the Union of Greens and Farmers, which has stayed noticeably impartial in the current campaign, being brought in to provide whatever number of seats may be necessary, if any. From the Harmony Centre camp, Riga Mayor Usakovs suggested in August that a Harmony/PLL coalition may be in the cards despite the current level of campaign rhetoric and the fact that the blocs do not come from compatible places on the political spectrum. After all, says Usakovs, such cooperation has worked well at the municipal level in Riga, where PLL co-chairman Ainars Slesers is his vice mayor. Harmony Centre list leader Urbanovics, however, immediately contradicted Usakovs and said his party had not made any deal with "with Slesers, or with any other candidate," no doubt not wanting to risk weakening his mobilization effort among his left-wing base with talk of possible coalitions with the right.

None of this, however, diminishes the fact that the new Latvian government will continue to face immense demands from its public, the International Monetary Fund, and the European Union, as the country tries to climb out of a very deep economic decline. A government lead by the Harmony Centre will likely want to stimulate economic revival with closer ties to Russia, but will likely also need backing among the ethnic Latvian parties to maintain itself in power. This will be an exceedingly difficult line to walk, particularly in what will continue to be a highly divisive political environment.

## IRI in Europe

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