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European Parties Elections and Referendums Network

ELECTION BRIEFING NO 66
EUROPE AND THE EARLY LATVIAN ELECTION OF SEPTEMBER 17 2011

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Key Points:

- In a dramatic May 2011 televised address to the nation President Valdis Zatlers called a referendum on the recall of parliament citing concerns that Latvia's democracy was on the verge of being 'privatized'.
- The following week the Latvian parliament held its scheduled presidential election. In a two-way contest an absolute majority of deputies voted for a new president, Andris Berzins, in the second round of voting.
- The public overwhelmingly voted to dissolve parliament in the July 23 referendum and the Central Election Commission set the early election for September 17.
- The now ex-President Zatlers formed the 'Zatlers Reform Party' to contest the election. It finished second to the Russian-speaking Harmony Centre, with the governing Unity Alliance coming third.
- Convoluted coalition negotiations ended with the formation of a three-party centre-right Latvian coalition government. Valdis Dombrovskis became the first prime minister to lead three successive Latvian governments.

Background

The 2011 early parliamentary election was framed by a wide public debate on political corruption and the future of Latvia's democracy. The election was triggered in late May 2011 when President Valdis Zatlers gave a televised address to the nation in which he declared that Latvia was at a key turning point in its history. A few days previously parliament had voted against a request from the Latvian prosecutors' office to remove the parliamentary immunity of Ainars Slesers. On his return from an international summit in Poland, a visibly nervous President Zatlers made a late-night television appearance criticizing this parliamentary vote. He went on to state that Latvia was under the almost absolute control of three oligarchs (whom he later identified as Aivars Lembergs, Andris Skele and Ainars Slesers), and that

their illicit influence was undermining the foundations of Latvian democracy and directly contributing to Latvia's ongoing economic ills. He declared that it was time for Latvians to take a stand and reclaim their state and, towards the end of the broadcast, dramatically announced his decision to hold a referendum on the recall of parliament.

The 'oligarchs' have been an established, albeit disputed, part of Latvian political discourse since the mid-1990s. The Latvian meaning of oligarch differs to the Russian definition (indeed, the 'Economist' magazine prefers to refer to Latvian 'tycoons') in the sense that a Russian oligarch was an extremely wealthy individual whose (in-direct) connections to the political system were both the source and continuing guarantor of his wealth. In contrast, Latvian oligarchs were an integral part of the political system in that they combined holding political office with their business interests. One of Latvia's three oligarchs, Aivars Lembergs, was the Mayor of Latvia's wealthiest city (oil transit rich Ventspils) since the late years of the Soviet era. A second, Andris Skele, was a three-time former prime minister while the third, Ainars Slesers, was a former deputy prime minister who has also served as Economics Minister, Transport Minister and deputy mayor of the capital city Riga. Although the latter two were marginalized after the 2010 election (their 'For a Good Latvia' alliance collected just 8 out of 100 seats), Aivars Lembergs' Green-Farmers Union won almost a quarter of seats (22 out of 100) and became the Unity Alliance's junior partner in the two-party coalition government that emerged in the aftermath of the election.[1] However, when it came to key law-and-order issues, such as the appointment of judges or a new Ombudsman, the Green-Farmers typically ignored their larger coalition partner and bloc-voted with the opposition 'For a Good Latvia' and Harmony Centre.

In a number of speeches and interviews leading up to the referendum, Mr Zatlers, who was riding an unprecedented wave of public support, urged people to vote for the re-call of parliament and then use the early election as an opportunity to remove the oligarchs from parliament. The next legislature, Mr Zatlers argued, should be a 'law and order' parliament. As a result it was no surprise that the July 23 referendum saw Latvians vote overwhelmingly for the re-call of parliament. Eurobarometer polls had long indicated that Latvians had radically low levels of trust in parties and other political institutions. Although the turnout of 44.7% was disappointingly low, this was largely because there was little doubt of the end result. Indeed, 94.3% of voters supported dissolving parliament. The Central Election Commission quickly settled on September 17 as the date for the early election, giving parties just under two months to prepare for the poll.

The Contenders

Thirteen parties and party alliances competed in the election. However, only five were realistic competitors. The polls were consistently led by the four parties and alliances that had polled the biggest share of votes in 2010 (Unity Alliance, Harmony Centre, the Green-Farmers Union and the National Alliance) and the newly formed Zatlers Reform Party. The 'For a Good Latvia Alliance' was dissolved after winning just eight seats in the 2010 election. However, while the People's Party (one half of the alliance) liquidated itself in August 2011, Latvia's First Party/Latvia's Way took the strange decision of re-naming itself

[1] See: Daunis Auers, 'Europe and the 2010 parliamentary election in Latvia', *European Parties Elections and Referendums Network Election Briefing No 60* at http://www.sussex.ac.uk/sei/documents/epern-election-briefing-no-60.pdf.

after its leader (Ainars Slesers) as the Slesers Reform Party (seemingly to mock the Zatlers Reform Party) and competed in the election. However, the polls showed it hovering between 1% and 2% of the vote, well below the 5% threshold.

The key political issue over the summer (there having been no doubt that the referendum would result in the recall of parliament) concerned the future plans of Valdis Zatlers. A few days after triggering the referendum, parliament held its scheduled presidential election. Zatlers had been nominated for a second term by the Unity Alliance and the National Alliance but was opposed by Andris Berzins, a retired banker and parliamentary deputy for the Green-Farmers Union. Mr Berzins was elected in the second round of voting. An obviously disappointed Mr Zatlers made clear his intention to remain in politics (he stated that 'I will dedicate my life to serving Latvia'). However, it was uncertain if he would join the Unity Alliance (which had consistently supported him over the previous twelve months) or form his own political party. The Unity Alliance was keen to recruit him, arguing that the creation of a new party would merely fracture the 'law and order' vote. Unity went so far as to offer him the chairmanship of the alliance as well as first place on the Riga region list of candidates. However, after some initial dithering, Mr Zatlers decided to utilise his high personal popularity and form his own party, to be named the 'Zatlers Reform Party'. He stated that his great strength had always been to surround himself with people cleverer than himself, and he set about attracting recruits to his party beginning with the people that had served in his presidential administration. Indeed, Mr Zatlers attempted to maintain a presidential air by refusing to debate with the oligarchs. This even led him to seek out an alternative prime ministerial candidate from the party ranks. He settled on Edmunds Sprudzs, a rather callow young businessman. The Zatlers Reform Party later released a fuzzy ten point programme that declared itself to be a centrist, nationalist, corruption-fighting party. The party had a few initial problems with branding its identity, having been criticised by the International Committee of the Red Cross for the use of a cross in the party's logo (which had intended to convey the emergency of the situation in Latvia).

Mr Zatlers had bold ambitions for his new party. He wanted it to signal the beginning of a new phase in the evolution of political parties in Latvia. In contrast to previous parties, Mr Zatlers claimed that his Reform Party would base its appeal around ideas and policies, not charismatic personalities (although if this was to be the case, it is unclear why the party chose to name itself after its founder). Moreover, it was to be be a party oriented towards its membership (which Mr Zatlers stated should be at least 7,000 people - an unrealistic figure in an environment where parties struggled to attract even 1,000 members), rather than its financial sponsors. The Zatlers Reform Party also promised to address the lack of policy innovation and ideas, one of the key long-term problems in Latvian politics, by creating and financially supporting an affiliated think tank. This was a significant step, as hitherto Latvian parties had adopted a rather cavalier approach towards policy, typically utilizing the limited expertise available within the party itself to write party programmes (for example, a party member that happened to be a university professor or a school teacher would be charged with writing the education platform) and then using bureaucratic and administrative resources when in government.

However, despite these best intentions, the Zatlers Reform Party was faced with the significant time constraint of having to construct a viable political party in less than two months. The two most immediate issues it had to deal with were to, firstly, recruit the 200 members needed to legally register the party and then additionally identify enough viable

candidates to stand for election to the parliament. Secondly, it needed to attract private funding in order to compete with its rivals (public financing for parties would only begin from 2012). It managed to achieve both, although the haste with which this task was undertaken meant that the party had to expel a number of its early members, as well as return money to some donors, when newspapers published articles linking these individuals with illicit activities.

Some comfort was to be found in the rival parties hardly faring any better. The Unity Alliance had not been expecting to fight an election in 2011 and its initial financial position was quite poor. Moreover, Unity saw several members defect to the Zatlers Reform Party and fully expected the latter to cut directly into its core electorate, with both parties positioning themselves as centre-right corruption-fighters. The key asset of both parties was their leadership. Prime Minister Valdis Dombrovskis had managed to maintain high levels of public support even as Unity's popularity sank after the cuts to budgetary spending that followed the 2010 election.

The referendum and subsequent election had been enthusiastically welcomed by the National Alliance, which united the youthful 'All for Latvia' and the established For Fatherland and Freedom/Latvian National Independence Movement nationalist parties. Indeed, they had formally merged just a few months before the election, although some observers saw it more as a hostile takeover of the older nationalists by the newer All for Latvia. The latter had won 6 of the National Alliances 8 parliamentary seats in 2010 and had adopted a far higher profile in parliament, persistently pushing forward nationalist causes while remaining moderate on economic and law and order issues. Untainted by government, it was confident that it would be one of the electoral beneficiaries of an early election.

Harmony Centre, which united most mainstream parties representing Russian-speaker interests, also expected to benefit from the early election. As with the National Alliance, it was untainted by government and had a popular and charismatic young leader in Nils Usakovs, the Mayor of Riga. In the run-up to the vote it declared the rather optimistic aim of winning 40 of the 100 parliamentary seats. It hoped to do this by adding Latvian voters (attracted by its left-wing economic policies) to its virtual monopoly of Russian-speaker votes (which guaranteed the party a 25-30% share of the vote in recent elections).

As is usual in Latvian elections, a number of smaller and single-issue parties also competed for votes. Two were former parliamentary parties that had fallen on hard times. For Human Rights in a United Latvia, which represented the more radical wing of the Russian-speaking population, again competed unsuccessfully for Russian-speaking voters. It lacked the charismatic leadership, fundraising skills and governing experience of Harmony Centre. In the medium-term, it was likely to either fold or join the Harmony Centre Alliance. The Latvian Social Democratic Worker's Party, the oldest political party in Latvia (tracing its roots back to 1904) suffered from similar leadership and funding problems, as well as Latvians' unconscious association of left-wing values with Russian-speaker interests (the Russian-speaker parties were often called the 'left' parties). One other small party, Tautas Kontrole, succeeded in attracting public attention when one of its election candidates was arrested after causing a disturbance at a live TV debate in protest at his party's exclusion from the discussion.

The Campaign

This was the first snap election in Latvia's political history and the country's political parties were left floundering for cash from sponsors. Elections in Latvia have always been extremely expensive. Indeed, as measured by per-capita spending, they are more expensive than US Presidential elections. However, the 2011 election caught the parties by surprise. They had not been anticipated fighting any elections in 2011 or 2012. Moreover, reforms to the party financing law that would see the introduction of significant levels of state financing in 2012 meant that parties had not anticipated the need for fund-raising at previous levels. Crucially, however, that legislation did not cover the 2011 parliamentary election. As a result, parliament passed a piece of legislation that limited spending on the election at 50% of the level allowed for the 2010 election. The need for money was also eased by the fact that August was a holiday month in Latvia, and the campaign only really swung into action in September, some three weeks before the poll.

The salience of oligarchy and corruption in the campaign was emphasized by the spectacular near-collapse of Latvia's national airline, *airBaltic*. The company had been mismanaged to the extent that its ability to continue operating was seemingly evaluated on a daily basis during the summer months. Rumours had long circulated that *airBaltic* was under the joint control of Latvia's three oligarchs, and it was among the institutions raided by anti-corruption agencies as the noose seemed to tighten around the oligarchs' necks in the summer of 2011. Although it was eventually bailed out by the government just a few days before the poll, it served as a constant reminder of the power of the oligarchs and the seeming inability of the state to fight against their illicit influence. Indeed, despite the up-turn in Latvia's economy over the course of 2011, the election was marked by a general sense of unease and decline. The provisional results of the Latvian census showed that some 200,000-300,000 people (about 10% of the population) had emigrated from Latvia over the last decade.

However, the Zatlers Reform Party's lack of political experience and strategy meant that it failed to fully utilize the anti-oligarch message. In one early debate Edmunds Sprudzs, the party's declared candidate for the post of prime minister, had the opportunity to directly engage and challenge the oligarch Aivars Lembergs. However, he was unable to elaborate exactly why his party classified Mr Lembergs as an oligarch. Indeed, the party generally fared badly in the public debates. Mr Sprudzs also proved to be an easy prey for Latvia's predatory media. He was first accused of making illegal payments to his workers (the average salary in his IT company was well under that paid by rivals, leading some observers to speculate that he must have been paying salaries 'off the books'). Second, Mr Sprudzs had also exaggerated his own professional qualifications. Despite claims to the contrary, it quickly emerged that he had no higher education diploma. Moreover, he had studied on an MBA programme at a dubious unaccredited Swiss College that granted diplomas via a Welsh University.

A lack of funds as well as the short-period of campaigning led to an increased use of dirty tactics. A new tabloid website named after Agatha Christie's fictional investigator Hercules Poirot (www.puaro.lv), edited by two close confidantes of the oligarchs, mercilessly attacked the Zatlers Reform Party and the Unity Alliance. It published a series of articles implying that Mr Zatlers' party was funded by a new generation of oligarchs linked to the security industry. Together with a wiki-leaks type website (www.pietiek.com), it also published revelations of extravagant spending in Mr Zatlers' presidential administration as well as claims that the

Zatlers family had used political influence to claim free up-grades to business class on the national airline. A Russian language website trawled the brothels of Riga with pictures of parliamentary candidates. One prostitute claimed a prominent Unity deputy (as well as a Harmony Centre politician) as her regular client. Although the allegations were never proven, the reputations of both politicians were destroyed.

The 'Latvians versus Russians' ethnic issue remained salient, although it did take more of a backseat to the law and order issue than in previous election campaigns. The National Alliance had, unsurprisingly, adopted a distinctly nationalist programme that, among other things, promised a gradual transition to Latvian as the only language of instruction in state funded secondary schools and, more controversially, proposed to criminalize denying the fact of Latvia's occupation (Harmony Centre and other pro-Russian-speaker parties preferred to talk about an illegal take-over of power rather than an occupation in order to avoid Russian-speakers being classified as 'occupiers'). The National Alliance also advocated a popularly elected President and greater presidential powers (as did the Zatlers Reform Party). However, the National Alliance's co-chairman had a few un-comfortable days after being hoodwinked into making indiscreet comments about his colleagues by a prankster who sent emails from a notoriously extreme nationalist Latvian-American doctor with radical politica views.

Harmony Centre, which had an almost complete monopoly of the Russian-speaker vote, attempted to expand its voter base to ethnic Latvians through a series of advertisements on Latvian language radio and TV stations. They utilised their popular young chairman Nils Usakovs the Mayor of Riga, who adopted explicitly left-wing rhetoric, criticizing the austerity policies of recent governments. He promised to enlarge spending on benefits, education and health-care. Indeed, public transport throughout the capital city Riga was plastered with Harmony Centre posters declaring that it would "STOP! Cutting the budget!" and put a "STOP: To poverty!" However, this was one of the rare occasions when there was any debate on economic issues. This was an election dominated by corruption and the oligarchs.

Results

Table 1. 2011 Latvian Parliamentary Election Results

	Number of votes won	% of votes cast	Number of Seats (100)	Number of seats won in 2010 (100)
Harmony Centre	259,930	28.36%	31	29
Zatlers Reform Party	190,856	20.82%	22	-
Unity Alliance	172,563	18.83%	20	33
National Alliance	127,208	13.88%	14	8
Green-Farmers Union	111,957	12.22%	13	22
Latvia's First Party	-	-	-	8

Source: Latvian Central Election Commission 2011

The referendum leading to the early election had been called by President Zatlers in order to remove the oligarchs from Latvian politics. By this measure the election can be seen as a partial success. Andris Skele's Peoples' Party dissolved itself in advance of the election,

while the Slesers Reform Party failed to pass the 5% threshold. Moreover, as Table 1 shows, Aivars Lembergs' Green-Farmers Union was elected to parliament with a radically reduced mandate (from 22 to 13 seats). Voters also took advantage of Latvia's preferential voting list system to punish several high profile politicians that had fallen from grace over the last year. Unity's Foreign Minister, Girts Valdis Kristovskis, a mainstay of Latvian politics for over two decades, as well as Culture Minister Sarmite Elerte and several controversial figures on the Zatlers Reform Party list were not elected.

The subsequent convoluted coalition building process revealed that, although the role of the oligarchs in the political process was severely diminished, the Latvian political scene remained fragmented and contentious. The day after the election it had seemed as if a new government would quickly be formed. The programmatically similar Zatlers Reform Party and Unity Alliance shared 42 out of 100 seats. They thus needed a third coalition partner. Ex-President Zatlers refused to countenance a coalition with the remaining oligarch party, the Green/Farmers Union, which left the two parties with the difficult choice of either cooperating with the National Alliance or Harmony Centre. The National Alliance was programmatically similar to Unity and Mr Zatlers' party in terms of its approach to law and order issues as well as its support for the economic austerity measures of the previous Dombrovskis government. However, its support for radical national issues, such as Latvianizing minority schools and its participation in the annual 16 March parade in honour of Latvian Waffen SS veterans was anathema to the other two more moderate parties. In contrast, Harmony Centre had a radically different economic programme and a poor voting record on law and order issues. However, the symbolism of constructing Latvia's first ethnically mixed Latvian-Russian government appealed to a number of politicians. Nevertheless, the nationalist wings in both the Zatlers Reform Party and the Unity Alliance initially favoured a coalition with the National Alliance.

These plans were disrupted several weeks into coalition negotiations. Following a late Friday night board meeting, the Zatlers Reform Party announced its intention to form a government coalition with Harmony Centre (the two had a minimal majority of 53 out of 100 seats). Mr Zatlers himself went so far as to state that 'only tanks' could change his mind. Harmony Centre made significant concessions to the Zatlers Reform Party, agreeing to the formulation that 'Latvia was occupied, but there are no occupiers', as well as consenting to continue with the economic austerity programme of the previous government that it had so opposed in its election campaign. However, these concessions were to no avail as the announcement caused such an outcry in both Mr Zatlers' party membership and Latvian society as a whole, that he was forced to backtrack a few weeks ago. Several of his party's newly elected deputies had threatened to defect, while a number of small demonstrations by youthful Latvian protesters (with slogans such as 'Shame on Zatlers') indicated that many Latvian voters felt betrayed by the announcement. After back-tracking, a three-party government coalition with the Zatlers Reform Party, Unity Alliance and the National Alliance was swiftly cobbled together. Valdis Dombrovskis (Unity Alliance) became the first prime minister in Latvia's history to lead three successive governments.

However, the repercussions from Mr Zatlers' hasty announcement continued for many weeks. First, on the eve of the opening of the new parliament, six of the Zatlers Reform Party's 22 deputies left the party, complaining about a lack of internal party democracy and the leadership's distancing itself from the membership. The following day Mr Zatlers failed to be elected as parliamentary speaker, despite the three-party government coalition (and the

six break-away deputies) agreeing to support his candidacy. Two rounds of secret voting indicated that Mr Zatlers' previous dithering had alienated many of his colleagues. The next day the previous speaker, Solvita Aboltins (Unity Alliance) was re-elected to the post. This incident indicated that this was likely to be a fragile government coalition. All the more so because three of the new government ministers were independents, appointed because of a shortage of suitable candidates within the ranks of the Zatlers Reform Party. Moreover, the new government was greeted by the jeers of an angry demonstration of Russian speakers called by Harmony Centre who protested at what they perceived to be on-going ethnic discrimination that kept them outside government, despite winning the largest share of votes in the election.

Conclusions and reflections

At one level the 2011 parliamentary election appeared to be a landmark election. Two of the three oligarch parties were no longer represented in parliament, while the third was now the smallest party in parliament and excluded from the government coalition. As a result, Latvia had its first oligarch-free government since the early 1990s. At the same time, however, the coalition-building process revealed that the ethnic cleavage remained salient in Latvian politics. The travails of the Zatlers Reform Party also exposed the enduring weaknesses of the 'new' political parties that always fared well in Latvian elections (the first four post-communist parliamentary elections in Latvia were won by parties formed less than twelve months before the poll). Opinion poll data taken several weeks after the election indicated that support for the Zatlers Reform Party had fallen beneath the 5% threshold needed to be elected to parliament, and that the personal popularity of Mr Zatlers was the lowest of any politician (just one month previously he had the highest popularity rating). As in previous polls, European issues were irrelevant and left un-touched by the parties in the 2011 election. There are two reasons for this. First, Latvia has no major Eurosceptic parties. Even the nationalists of the National Alliance support Latvia's EU membership and advocate Latvia's entry into the euro zone in 2014. As a result, 'Europe' is not a contested policy area in Latvia. Second, the early election, which saw only a few weeks of intensive campaigning was wholly concerned with domestic law and order issues and the role of the oligarchs in the political system. This left no space for the encroachment of Europe or other international issues.

Published: 30 January 2012

This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at http://www.sussex.ac.uk/sei/research/europeanpartieselectionsreferendumsnetwork.