LITHUANIA

ELISABETH BAUER LINAS KOJALA AUGUSTINA ZAMUŠKEVIČIŪTĖ

September 2016

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Parliamentary Elections in Lithuania, October 2016

WITH NO PARTY EXPECTED TO WIN BY A CLEAR MARGIN, LITHUANIA EAGERLY AWAITS THE OUTCOME OF THE PARLIAMENTARY ELECTIONS

The current ruling centre-left coalition, shaken by corruption allegations, is seeking re-election in the upcoming voting. Latest election polls show that the leading party, the Social Democrats, is still in the pole position in spite of a gradual decline of the ratings. The Lithuanian Peasant and Greens Union, which did not pass the 5% threshold in 2012, could become a major player as it firmly sits in second place. The rising support for the Peasant and Greens Union opens up new opportunities for coalition building with the biggest centre-right party and main opposition force, the Homeland Union-Lithuanian Christian Democrats (HU-LCD). The Liberal Movement, which received poling results of 15% just six months ago, may have to deal with a high decrease of voter numbers in the legislative election this autumn.

The first round of the Lithuanian parliamentary elections takes place on October 9th, 2016, with a second round following two weeks later. The Lithuanian parliament (*Seimas*) is elected for a term of four years. The last general elections took place in 2012. Slightly more than 2.5 million people are eligible to vote in the upcoming parliamentary elections.

Electoral System

The unicameral parliament of Lithuania is composed of 141 members who are elected through a mixed electoral system: 71 deputies are chosen in single-seat constituencies (a candidate will be elected if he receives more than half of the votes; if not, a second round of voting is due where the two highest-rated candidates compete), while the remaining 70 MPs are elected on PR basis.

Electoral Turnout

The voter turnout varies historically in Lithuanian parliamentary elections (*Figure 1*). After having been exceptionally high in 1992 it has been ranging around 50% ever since. In the most recent elections voter turnout tends to be around 50 percent in the first round. It is expected to remain similar in the upcoming elections, though recent corruption scandals may lead to a certain decline in voter turnout.

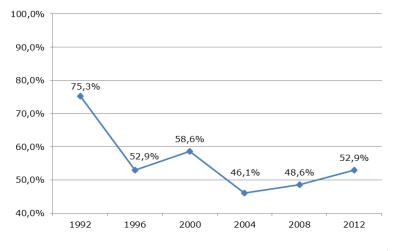


Figure 1 Lithuanian Parliamentary Election – Voter Turnout

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Source: The Central Electoral Commission of the Republic of Lithuania (VRK), http://www.vrk.lt/en/home. Prepared by the authors.

Current ruling coalition

The current coalition in the parliament consists of the main centre-left Social Democratic Party (led by Prime Minister Algirdas Butkevičius), the populist Labour Party (led by MEP Valentias Mazuronis; Speaker of the Parliament Loreta Graužinienė) and the Order and Justice Party (led by MEP Rolandas Paksas). The coalition was established soon after the election of 2012 and remained relatively stable ever since. The biggest centre-right party, the HU-LCD, is the main opposition force (30 MPs), with former Prime Minister Andrius Kubilius being an official Leader of the Opposition. In the Opposition HU-LCD is joined by the Liberal Movement (12 MPs).

Opinion Polling

The most recent "Vilmorus" pre-election polling¹ (conducted from 2nd till 10th September 2016) shows that the Social Democrats remain the most popular political party (16%) in Lithuania (*Figure 2*), with the Peasant and Greens Union being second (12,6%) and HU-LCD taking the third place (9.2%). The only other party passing the 5% threshold is the Labour Party. The Order and Justice Party (4.8%) and the Anti-Corruption Movement of Puteikis and Krivickas (4.7%) remain under the 5% electoral threshold. The Liberal Movement, which polled at 15% just six months earlier, is now expected to gain only 2.7% percent of the votes.

Trends

The Social Democrats, while remaining the leading party, are facing a gradual slump in the polls (from 23% in February to 16% in September). The Peasant and Greens Union, which did not pass the 5% threshold four years ago, is firmly in the second position after a recent growth in ratings (*Figure 2*). The popularity of the HU-LCD remains stable (around 10-11 percent)², but the result is expected to be higher due to the party's popularity among sen-

¹ <u>http://www.delfi.lt/projektai/balsuok2016/naujienos/naujausi-partiju-reitingai-skelbiama-kas-i-seima-nepatektu-ir-kam-atsirado-sansu.d?id=72326140</u>

² <u>http://lietuvosdiena.lrytas.lt/aktualijos/reitingai-kam-pries-rinkimus-skandalai-kirto-skaudziausiai.htm</u>

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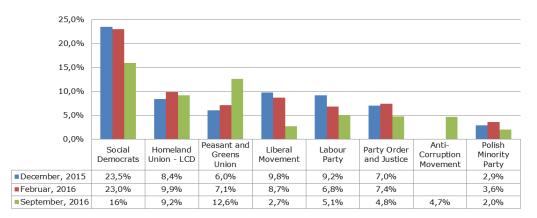
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iors, who are underrepresented in the polls. The Labour Party and the Order and Justice Party are facing struggles to remain in the parliament, while the growth of the Anti-Corruption Movement of Puteikis and Krivickas is a recent phenomenon, as the party was formed just prior to the elections with the single-issue agenda of anti-corruption. Despite the weak performance in the polls, the Polish minority party (*Electoral Action of Poles in Lithuania – Christian Families Alliance*) is a strong contender to pass the threshold, because of the stable electorate among Russian and Polish speaking minorities, which are also underrepresented in the polls.

However, the trends focus only on proportional elections, as there are no electoral polls in single constituencies. It is expected that the Social Democrats and the HU-LCD will win most of the seats in single member constituencies. The Peasant and Greens Union, as well as other parties, are expected to face a bigger challenge there because of the lack of strong personalities. However, there is also a trend of growing numbers of people who are either unsure which party they should support, or do not intend to vote at all in the upcoming elections. This apathy is linked mainly to corruption scandals and an overall disappointment with parties.

Figure 2 Comparison of parties' popularity (December, 2015 – September, 2016)



Source: Vilmorus / Lietuvos Rytas. Prepared by the authors.

Coalition Building

With no party expected to win by a clear margin, the talks about the formation of the new ruling coalition are already said to be ongoing. It is highly unlikely that the Social Democratic Party and the HU-LCD could form a ruling coalition because of long-lasting disputes and lack of political traditions to form rainbow-type coalitions. Therefore, both parties would be willing to join forces with the Peasant and Greens Union, which remains open to both centre-left and centre-right coalition. The Labour Party and the Party Order and Justice could be partners in a centre-left coalition, while the Liberal Movement would be a natural partner in a centre-right coalition.

The party which will get most of the seats after the two rounds of voting (most likely the Social Democrats or the HU-LCD) will have an initiative to form the new ruling coalition. Nevertheless, President Dalia Grybauskaitė will have a strong say in the formation of a new ruling coalition. According to Vladimiras Laučius, Chief Editor of LRT.It, it might even be possible that in case the Social Democratic Party wins the first place – they could be left

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outside the Cabinet because they would struggle to find coalition partners. In such case, the party winning the second place (highly likely that this would be the HU-LCD in this scenario) could take an initiative to form the governing coalition.³

Ministers

A few parties have already presented their candidates for the cabinet positions. For example, the HU-LCD published a list of 3-4 candidates for each ministerial position, with Gabrielius Landsbergis, Chairman of the HU-LCD, being the only candidate for the position of Prime Minister. Andrius Kubilius, former Chairman of the HU-LCD, and former Prime Minister, is named among the candidates for the Minister of Finance. The Peasant and Greens Union has also published a cabinet list, which is not yet filled with the names of politicians for each ministry. Saulius Skvernelis, popular former Minister of the Interior, is a candidate for the position of Prime Minister.

Domestic topics

The ruling coalition faced **a series of corruption allegations**. One of the biggest controversies involved the Minister of Defence Juozas Olekas. It was publicly revealed that the Ministry of Defence bought overpriced kitchen equipment for the military, with the procurement procedure facing accusations of being non-transparent. The President demanded the Minister's resignation, but he remained in his position, with the support of Prime Minister Butkevičius. This led to a war-of-words between Prime Minister Butkevičius and President Grybauskaitė, who are allegedly avoiding each other.

The biggest corruption scandal this year involved Eligijus Masiulis. Until 19th May, he was a Member of the Parliament and a leader of the Liberal Movement. He was regarded as a strong candidate for the highest political positions after the elections. However, Masiulis currently faces corruption allegations. In May, the Special Investigation Service of Lithuania (STT) found 250.000 EUR in cash in Masiulis' apartment in Vilnius.⁴ He is accused of having taken a bribe of 106.000 EUR from Raimundas Kurlianskis, the Vice-President of MG Baltic, one of the major business corporations in Lithuania. The source of another 144.000 EUR remains unconfirmed. Eligijus Masiulis resigned his parliamentary seat and left the Liberal Movement. After declining any comments throughout the summer, he came out publicly on national TV channel at the beginning of September, pleading not guilty. According to him, the cash was only a loan for personal purposes, rather than a bribe in return for favourable decisions. The pre-trial investigation is still ongoing. Since the scandal broke, the popularity of the Liberal Movement has fallen dramatically: from 15 percent at the beginning of the year to less than 3 percent this month.

Lithuanian parliament passed a hotly-debated Labour code law, according to which the liberalisation of Labour laws will take place from the beginning of 2017. President Grybauskaite exercised her veto power and proposed 22 changes. However, the veto was overturned by a majority vote in the parliament. Critics argue that the easing of the Labour laws is necessary. However, the already adopted version is too flexible and leaves employees unprotected. This led to internal disputes at the Social Democratic Party as the new law is considered by some party members to be more liberal, than social democratic.

⁴ <u>http://www.delfi.lt/news/daily/lithuania/e-masiulis-reiketu-paklausti-stt-pareigunu-kodel-jie-itarimuose-irase-</u> <u>106-tukst-euru.d?id=72231906</u>

³V. Laučius, D. Grybauskaite will win the elections, <u>http://www.delfi.lt/news/ringas/lit/v-laucius-seimo-rinkimus-laimes-d-grybauskaite.d?id=72310756</u>

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Foreign and Security policy is not a dominant topic in the pre-election period

There is a broad agreement between the political parties to increase the defence budget to two percent of GDP until 2020, with 2018 discarded as a realistic target. Over the last three years, the defence budget was doubled from 0.8 percent in 2013 to 1.5 percent of GDP in 2016. This also reflects a dominant opinion in the society. An opinion poll in February, 2016 showed a 67% support for the increase of the defence budget to 2%. Moreover, there is a strong support for a NATO membership (82%) and a deployment of Allies troops to Lithuania.⁵ The parties also agree on the need to maintain the current economic sanctions on Russia, as there is no progress in the implementation of the Minsk agreements.

The migration topic is of no relevance in Lithuania at the moment. Having in mind that only a third of the Lithuanian population supported the argument that "refugees are in need of help; therefore, Lithuania must provide it", the topic was not exposed during the electoral campaign. The Labour Party was the only major political party which vocally opposed migration quotas in campaign events. Until September 2016, 102 refugees arrived in Lithuania in accordance with an agreement among the European Union countries.⁶

⁵ <u>http://www.delfi.lt/news/daily/lithuania/apklausa-lietuviai-uz-nato-ir-stipria-kariuomene.d?id=70275978</u>

⁶ http://www.delfi.lt/news/daily/lithuania/i-lietuva-pagal-es-programa-atvyko-20-pabegeliu-siru.d?id=72233614