



THE LATVIAN GAME CHANGER

UNCERTAIN BUT POSSIBLE

Valts Kalniņš

The decision of the President Valdis Zatlers, on May 28, to initiate the dissolution of the parliament sent shockwaves throughout the Latvian public space. The trigger event was the parliament's failure to lift the immunity of the MP Ainārs Šlesers in the proposed searching of his place of residence. This Policy Brief gives the background.

The search of Mr. Šlesers home was requested as part of an unprecedented criminal investigation commenced on May 20 by the Corruption Prevention and Combating Bureau. This investigation made major news because it involved the search of properties and company offices related to all of the unofficial trinity of Latvia's main oligarchs – Ainārs Šlesers, Andris Šķēle and Aivars Lembergs. The possible charges are multiple – money laundering, provision of false information in public officials' declarations, abuse of office, active and passive bribery as well as violations of conflict-of-interest rules.

Background

The three men, especially Mr. Lembergs, are widely believed to wield control over much of Latvia's parliament. At first glance, their political positions do not look all that omnipotent. Mr. Šlesers and Mr. Šķēle are MPs for the union "For Good Latvia," which holds only eight out of 100 parliamentary seats and stays in opposition. Mr. Lembergs, himself being the mayor of the West-coast port city of Ventspils, appears to largely control the parliamentary faction of the Greens and Farmers Union. This 22-strong faction forms the governing coalition with the Unity; the largest parliamentary group of 33 MPs.

The motley collection of the Unity politicians represents all kinds of views from political liberals and anti-corruption campaigners to moderate Latvian nationalists. This diversity is both the merit and the weakness of the faction. It is not controlled by a single tycoon and hence can be quite democratic internally. Meantime it is the nationalist

branch which so far has made the coalition with the Greens and Farmers the only arrangement allowing the Unity to be in power and making Lembergs perhaps the single most influential individual in Latvian politics. The only viable alternative would be a coalition with the largely Russian-dominated Harmony Center (29 MPs), which is unacceptable for the nationalists. For a full picture, the most extreme nationalists of the current parliament sit in an opposition faction of their own (7 MPs).

Apparently realizing that friendship with the Unity does not promise any prospect for power, the Harmony Center aligns with the Greens and Farmers on issues, where there are disagreements in the governing coalition. As a consequence, a de-facto alternative coalition has formed on issues related to the rule of law and even democracy as a whole. Against the will of the Unity, this parliament elected an ombudsman with no credentials in human rights, failed to criminalize several violations of rules for financing political parties and did not elect a reputable candidate for the Supreme Court who had received all clearance from judiciary bodies. Already after Mr. Zatlers's decision, the de-facto coalition between the Greens and Farmers and the Harmony Center manifested itself also in the election of Latvia's new President Andris Bērziņš.

What's the Point?

Debate has focused on whether Zatlers's move may change the current dependency of the parliamentary majority on the oligarchs. It is certain that the initiative to dissolve the parliament has a strong symbolic meaning – the dissolution



will become effective after a referendum at the end of July but no one doubts that this parliament will have to leave. The dissolution sends a signal that people who care about the rule of law are not just some weirdos in an otherwise pragmatic society with little scruples. Many have the emotional but therefore no less relevant feeling that the parliament, which misused the immunity of its member and neglected the rule of law as a priority in numerous other ways, simply deserves to go home. After all, the President's move is very popular. While some commentators speak of cheap populism, the legislature has indeed done a lot to undermine its trust. But the parliament should not immediately dismiss the popularity of one or another political decision as something irrelevant, even if there's no overarching duty for politicians to always follow the most popular opinion. Still none of this in itself warrants for change.

The core question is whether the new elections – sometime in September – will produce a parliament less dominated by a few tycoons and more committed to anti-corruption measures. At the moment, the Unity's popularity rating is lower than during the last elections in October 2010. So it cannot take a better result for itself for granted. The Harmony Center does not seem to have any principled stance against the oligarchs and the oligarch parties are unlikely to have lost all of their appeal completely. Plus the above mentioned criminal investigation could not possibly yield any results by September.

Scenarios for Change

So what prospect for improvement could be seen apart from a vague hope that a reshuffle of politics by itself would somehow make things different? The key question is what it is that would make the election in September 2011 any different from the election in October 2010. Two circumstances can be mentioned.

First, the decision to dissolve the parliament and its corresponding statement by the highest official of the state is a game changer. The President delivered probably the most impressive speech of a Latvian political leader since the restoration of the country's independence. If his speech has managed to modify attitudes of at least a few percentage of the population, that alone could tip the scale in autumn. Moreover, the President has set anticorruption and the role of oligarchs as the central election topics, which was not the case in 2010. This is another factor that might prompt a few voters to turn away from oligarch dominated parties and support some more pro-rule-of-law option.

Second, a lot will depend on Mr. Zatlers's choices after his presidential tenure terminates on July 8. A different outcome in the coming elections will be more likely if different alternatives are offered to the voters. For one thing, Mr. Zatlers should use any opportunity to make sure the anti-corruption and rule-of-law themes do not fade away from the pre-election agenda. But he could especially help his cause by running himself as a candidate or, what could be most effective, even creating a new political party. Given Latvia's practice of new parties being formed before almost any parliamentary election, such a course of action would be quite understandable for the public. There are voters who loath the oligarchs and in the meantime have objections against the Unity. The anti-oligarch cause would have better prospects if the Unity were not the only option for those who want to support candidates with clear stances in favor of the rule of law.

Valts Kalniņš is a Senior Researcher at the Centre for Public Policy Providus, Riga.

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