

## **The Unfinished Revolution II - Coalition Building**

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The 11<sup>th</sup> Saeima has been elected with encouraging results, the euphoria of winning is over and now the hard work forming a new government begins. The Latvian proportional electoral system, in contrast to the British Westminster majority system in countries such as Canada or the US, rarely produces one party majority government, so in Latvia coalition governments are the norm. Usually the largest party has a better chance to form a coalition because it reduces the number of parties needed to form a stable majority. A second possibility is that another party takes initiative with like-minded parties to form a government. Currently the initiative has been assumed by the second largest party, the ZRP (Zatlers Reform Party).

However, like most group activities, it is difficult to find common ground, especially in politics. Similar political philosophies or party programs are not enough to build a stable government. Individuals have hopes, ambitions, and personal beliefs, they are members of parties, which also have their own agendas, are prone to positioning, and have red lines that can't be crossed and different visions of the future. Coalitions are made up of rivals who must give up competing for a specific period of time. Each party, however, plans for the long-term i.e. future elections and wants governmental and state successes attributed to it.

The elections were held to decide the country's future legally, economically, and socially. The center-right parties (ZRP, V, and NA) have run on a responsible, western-oriented free market economy, rule of law, with a Latvian identity, but inclusive of national minorities in Latvia's civil society. The center-left SC offered a populist program, eastern-oriented, questionable economic policies, and special language rights for the Russian minority. The oligarch party (ZZS), while describing themselves as center-right, offered a populist mix. The oligarch defeat in these elections is only partial, as the ZZS is still represented in parliament and their appointees and sympathizers still sit in municipal and other public bodies. The oligarchs are still trying to steal government owned companies even after the elections i.e. *Air Baltic*, and are preparing to do the same to Riga Central Market. The SC has 31 seats and represents Russian oligarchs and together with ZZS have 44. Although a minority in parliament, and despite some foreign media optimism (Bloomberg news agency), the oligarchs have not given up.

The unfinished revolution is now in its second phase – creating a post-Soviet era elite led government, with a minimum of 51 deputies. Numerically not all options meet this requirement. With SC: SC and V, 51 members, SC and ZRP, 53, SC + ZRP + ZZS, 66, and SC + V + ZRP, 73. The old elite and the SC prefer the last option, because without large Latvian party participation in the shift to the East, and SC's intended changes to the country could lead to unintended consequences. I think that the Soviet era elite understand the errors made in the 1940 annexation of Latvia, which they do not want

repeated. This coalition option has now diminished. A SC and ZZS coalition has only 44 seats, and both Urbanovics and Lembergs know each other from their days in the Komsomol organization. V and ZRP have publicly declared that neither will go alone with the SC. In addition, V declared that it sees nothing in common with the SC and it now looks like a SC+V+ZRP coalition is not in the cards. There remains a third option, SC + ZRP + ZZS, the old elite's second acceptable option, but less pleasing, but would enjoy two-thirds parliamentary support. ZRP vow not to talk with the oligarch ZZS makes this coalition possibility remote.

Other options exist - ZRP and V, a total of 42 seats, ZRP + V + ZZS, 55, and ZRP + V + NA, 56. The first option would mean a minority government, possible, but unstable, difficult to forecast and significant reforms unlikely. The second option is again unlikely because of the ZRP's 'red line' against the ZZS.

The third option remains, the so-called juridical coalition of ZRP, V and NA. Not only mathematically, but also in other important ways it looks more stable, philosophically logical and in the long term most advantageous for Latvia, but not without problems. The ZRP, created in haste, without much political experience is the most vulnerable party. It can be infiltrated, slowed down, pushed in the 'ditch', or after the election taken over by a small group or otherwise neutralized as a political force. The NA (VL / TB / LNNK), now VL dominated, is also problematic: a few strong, but a lot of inexperienced members, a one issue party with a damaged reputation. The last attribute could bring the coalition the most headaches. Deserved or not, outside Latvia the party is often seen as extremist. This coalition could be condemned for bringing the NA into the government, particularly from Russia, but also from some Western quarters. Latvia may be reproached for this choice, since for some, SC is seen as better since this choice could bind together Latvia's fragmented society, are supported by one-third of the electorate, and at least a little better than an extremist, or as Russians dub it, a neo-fascist party, or that Latvia has missed the opportunity to take a bold and courageous step towards the future. Western NGOs (nongovernmental organizations) generally see the election results only in its ethnic dimension. Russia's reaction could be harsh and unpredictable. The coalition must be prepared for such a response, and with a proviso for the NA, to be in government it should control it's more outspoken party members or deputies words or actions that could harm the coalition.

This time coalition building is different from previous post election negotiations. Traditionally the division of ministries and offices between parties was discussed, this time first round negotiations compared party programs because, as the coalition builder, ZRP chose the method of negotiation. The party sees its program as intrinsic to its existence and it should be realized as much as possible. This is its basis for negotiations with all parties except the ZZS, i.e. which party will comply with most of the ZRP program. The program is most similar to V and the NA, most different from

the SC. However, SC wants to be in power 'at all cost' and has reversed their election promises 180 degrees since voting day. There is no guarantee that the SC will fulfill their new promises any more than their old ones. If a party can so easily give up its beliefs, and betray their electorate starting election day, it lacks predictability and credibility. Also, cooperating with a party, which does not comply with ZRP's 10 principles, promotes Russian community non-compliance with a Latvian based state, supports oligarch interests, voted against President Zatlers second term in office, has signed an agreement with foreign autocratic political parties (Putin's 'United Russia' and the Chinese Communist Party) makes no sense.

However, the multiple party talks, expert groups, a number of negotiation cycles, and program comparisons can benefit coalition creation. The coalition cannot be accused of excluding the SC from negotiations, as it can refer to large differences in economic, and justice programs, thus avoiding a false accusation that the coalition is ethnic based.

There is another coalition possibility. The SC is not a single party, but made up of five, ranging from extremists to democrats. What they share is 'ours' collectivism and effective Russian Diaspora policy. There are individuals in the SC who are unsatisfied with the party and may want to leave. Such individuals could be included in a broader coalition.

But it's not over until it's over. President Bērziņš returned from the UN in late September. How does he see things? One can only say that he wants a broad coalition. Latvian politics has a lot of players, some hidden, some open, like a Russian matrjoška doll, a doll within a doll. Open the dishonesty and thieving doll, and the Latvian oligarch doll appears, open that and the SC doll appears, open that and the Russian oligarch doll appears, open that and...

Leaving the ZZS and SC and outside the coalition can change the Latvian power game. Even during the election the ZZS began reassessing its long-term relationship with Lembergs, because it could mean losing the next elections. Municipalities, like individuals, gravitate toward parties in power because it's easier to get funds for local projects. They will have to reassess their current loyalty to the Tautas, LLP, ZZS and SC parties before the 2013 municipal elections. The SC is not a stable party, and the longer it remains in opposition the more difficult it is to hold it together. The Russian speaking voter has for some time now represented 25% to 30% of voters in the last four or five elections voting for several different parties. The only change in the 10<sup>th</sup> and 11<sup>th</sup> Parliament is that they now appear in the same party.

Including bribery, threats, collusion, and the struggle for economic spheres of influence or surprises by the President, predicting the composition of the coalition or the government is at this point impossible.