The Parliamentary Elections and Nuclear Referendum in Lithuania, October 2012

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1. Background

On October 14 and 28, 2012, Lithuania held the first and second rounds of its quadrennial parliamentary election. While the election was clouded in controversy over fraud accusations, it ultimately resulted in a swing in control from a center-right to a center-left coalition. Lithuanian voters punished Prime Minister Andrius Kubilius’ Homeland Union – Lithuanian Democrats (HU-LCD) party for four years of rule that included a global recession and harsh austerity measures. Additionally, voters rejected a referendum of support for the Visaginas nuclear power plant project, which gives the Social Democrats popular cover for scuttling the project. Ultimately, a center-left governing coalition formed with Social Democrat Algirdas Butkevicius being tapped as the new Prime Minister. All told, the election has important implications for Lithuania’s fiscal policy, regional energy politics, European integration, and scholars that study politics in the Baltic and former communist states.

2. Electoral System

Lithuania is a parliamentary representative democratic republic. It has a unicameral parliament, called the Seimas, a President that serves as head of state, and an appointed Prime Minister that serves as the head of government. Dalia Grybauskaitė (Independent) was elected President in 2009 and Andrius Kubilius served as Prime Minister coming into the 2012 elections. The Seimas has 141 members that are elected to serve four year terms. Lithuania uses a mixed voting system to fill the Seimas, whereby 71 parliamentary members are elected by regional constituencies and 70 are apportioned nationally using a party-list proportional system. For a constituency election to be considered successful in the first round, at least 40 percent of the registered voters in a given region must vote and the candidate must receive a majority of the votes cast. If turnout is less than 40 percent, a candidate wins by receiving a majority that represents over 20 percent of registered voters. Then, if none of these conditions are met, a run-off election is held two weeks later between the two candidates with the largest vote share. In the national election, an individual party must receive at least five percent of the national vote to be apportioned a share of the 70 proportional seats in the Seimas. The requirement for a party union is seven percent. For the national election to be valid, at least 25 percent of registered voters must cast a ballot.

3. Pre-Election Environment

Coming in to the election, the ruling center-right coalition of HU-LCD, National Resurrection Party (NRP), Liberal and Centre Union (LCU), and Liberal Movement (LM) faced an uphill climb. Particularly unpopular was Lithuania’s Prime Minister, Andrius Kubilius of the HU-LCD. His and his party’s unpopularity largely arose due to the strict austerity program enacted to deal with the global
credit crises in 2009. While the program initially resulted in a large contraction in the economy, Lithuania has since become one of the fastest growing economies in Europe. In fact, the European Union and International Monetary Fund celebrated Kubilius’ austerity program. But it was difficult for the HU-LCD to translate this praise into votes as Lithuanians faced 13 percent unemployment on top of higher taxes and high emigration rates.¹

Pre-election polling in late summer and early fall showed strong support for the opposition parties among committed voters. Support for the Social Democrats rose five points (from 17.9 to 23.4 percent) between July (Seputyte, 2012a) and September (Seputyte, 2012b), as did support for the Labour Party (from 16.9 to 21.1 percent). That being said, support also increased for the HU-LCD from 7.7 percent in July to 12.3 percent in September. While this revealed the solidifying of support among likely voters as the election drew closer, 26 percent of polled eligible voters were still undecided a month prior to the election.

4. Nuclear Power Referendum

In addition to the parliamentary elections, Lithuanians were asked to weigh in on the country’s energy policy for the second time in two election cycles. In 2008, a referendum was held on whether to shut down the Ignalina nuclear power plant. At the time, the closure of Ignalina was required by the European Union as a condition of Lithuania’s membership, but it also provided 70 percent of the country’s electricity demand (Houlton, 2009). Facing the specter of rising electric prices and dependence on Russia for energy supplies, the Seimas called for a referendum asking voters to indicate whether they approved of the “extension of operation of the Ignalina Nuclear Power Plant for a technically safe period, but not longer than completion of the construction of a new nuclear power plant” (Seimas, 2008). While 88.6 percent of voters cast their ballots in favor of the referendum, only 48 percent of voters participated (Central Electoral Commission, 2008). This fell below the 50 percent threshold for a successful referendum, and thus the result was invalidated. The plant was ultimately closed in December of 2009.

Prior to the closure of the Ignalina plant, the Lithuanian government began negotiations with Latvia, Estonia, Poland (who has since backed away), and eventually Japan’s Hitachi, on the construction of a new 1,350 megawatt nuclear power plant in Visaginas (near Ignalina). The Baltic States were

¹ According to Lithuania’s Department of Statistics (2011), twelve percent of the country’s population emigrated over the last 10 years.
interested in improving their energy security, as all of them rely primarily on Russia for their supply. In fact, over 60 percent of Lithuania’s electricity is now imported, with 80 percent of that import coming from Russia (World Nuclear Association, 2012). The country is also heavily reliant on Russia for natural gas and currently has a €1.45 billion overpayment claim against Gazprom before the Stockholm Chamber of Commerce. Not to mention, electricity prices increased by approximately 30 percent when the Ignalina plant finally went offline (Eurostat, 2012). Thus, energy independence from Russia was highly salient during Kubilius’ term in office. But not all parties were supportive of the nuclear deal. The Social Democrats, in particular, have been wary of the project and subsequently proposed the non-binding referendum included in the 2012 Seimas elections. On July 16, 2012, the Seimas voted to hold the referendum and early polling showed that a majority of Lithuanian voters were opposed to the plant.

5. Election and Referendum Results

5.1 First Round: October 14, 2012

On October 14, 2012, Lithuania held the first round of its quadrennial parliamentary elections. Over 1.3 million voters (52.93 percent) cast ballots in the election. This is a boost in turnout over the past two parliamentary elections (see Table 1). In all, 18 political parties vied for seats in the national multi-member election. Of these 18 parties, seven achieved the five percent national vote threshold necessary to be awarded a portion of the 70 seats from the national election. Labour (17 seats), the Social Democrats (15 seats), and HU-LCD (13 seats) were the top three winners, with the Liberals Movement (7 seats), The Way of Courage (7 seats), Order & Justice (6 seats), and Lithuanian Poles’ Electoral Action (5 seats) also gaining representation in the Seimas. Immediately, Labour, the Social Democrats, and Order & Justice began discussing creating a coalition government, even though the Social Democrats pulled out of a related agreement before the election over the Visagina’s project. Regardless of the speculation on the formation of a governing coalition, only three of the 71 constituency seats were awarded in the first round. This left almost half (68) of the seats in the Seimas up for grabs in the October 28 run-off election.

| Table 1: Turnout in Seimas Elections as a Percentage of Eligible Voters, 1992-2012 |
|---------------------------------|--------|--------|--------|--------|--------|--------|
| Turnout:           | 75.2%  | 52.9%  | 58.6%  | 45.9%  | 48.6%  | 52.9%  |
| Sources: Centre for the Study of Public Policy (1992-2004); Central Election Commission of Lithuania (2008; 2012) |
Public support for nuclear power was not as apparent in the 2012 referendum as it was in 2008. Indeed, approximately 63 percent of those casting a ballot voted against the Visaginas project. With turnout over 50 percent, the results of the referendum were upheld by the Central Election Commission. The first thing that must be recognized is that while the 2008 and 2012 referendum votes were on the same general policy (i.e., nuclear power) they represented two fundamentally different choices. In 2008, the choice was to keep an existing and paid-for plant open, while, in 2012, the decision was to invest public funds in a new plant. As was mentioned, Lithuania’s economy recently experienced a substantial contraction due to the global credit crisis and strict austerity measures. Therefore, citizens were understandably skeptical about investing in a new and expensive nuclear power plant.

In terms of a broader lack of support for nuclear power, it is important to note changes that occurred outside of Lithuania since 2008. Particularly, the disaster at the Fukushima Daiichi nuclear plant in 2011 reminded the world of the potential dangers of nuclear power. Reactions to Fukushima among European Union members have been mixed (Jorant, 2011); from Italy placing a one-year moratorium on building to Poland confirming a commitment to build its first plant. Perhaps the most extreme response came when German Chancellor Angela Merkel promised to close all of the country’s nuclear power plants by 2022. This promise arose as a reaction to large anti-nuclear demonstrations in major cities across Germany. While it is impossible to make a causal argument about how these factors reduced support for nuclear power in Lithuania, they provide useful avenues for future research on the topic.

5.1 Second Round: October 28, 2012

Leading up to the second round of voting, there were multiple accusations of vote buying, particularly against Labour party candidates. The Central Election Commission briefly indicated that it might invalidate the election, but allowed the results of the first round to stand and the second round to move forward. On October 28, the second round of constituency elections was held and turnout saw a substantial drop to just under 36 percent. Labour’s success in the first round national election was not translated into a similar victory in the second. Instead, the Social Democrats picked up 22 seats, followed closely by HU-LCD’s 20 seats. Labour came in third with 11 seats, followed by Order and Justice (5), Liberals Movement (3), Lithuanian Poles’ Electoral Action (2), and Lithuanian Peasant and Greens Union (1). Additionally, three self-nominated candidates were elected and the Lithuanian Central Election Commission voided the results in Zarasai-Visaginas due to allegations of vote buying by the Labour Party candidate there. Ultimately, the boost from this round of elections allowed the Social Democrats to move to the top of the overall member count in the new Seimas. Table 2 shows the seats
held by each party prior to the 2012 parliamentary elections and after. Labour and the Social Democrats had substantial increases in their numbers, while the HU-LCD saw a marked decline.

<table>
<thead>
<tr>
<th>Party</th>
<th>Pre-Election</th>
<th>Post-Election</th>
<th>Net Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeland Union - Lithuanian Christian Democrats</td>
<td>45</td>
<td>33</td>
<td>-12</td>
</tr>
<tr>
<td>Social Democrats</td>
<td>26</td>
<td>38</td>
<td>12</td>
</tr>
<tr>
<td>National Resurrection Party³</td>
<td>18</td>
<td>0</td>
<td>-18</td>
</tr>
<tr>
<td>Order and Justice</td>
<td>18</td>
<td>11</td>
<td>-7</td>
</tr>
<tr>
<td>Liberals Movement</td>
<td>11</td>
<td>10</td>
<td>-1</td>
</tr>
<tr>
<td>Labour</td>
<td>10</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>Liberal and Centre Union</td>
<td>8</td>
<td>0</td>
<td>-8</td>
</tr>
<tr>
<td>Independent candidates</td>
<td>4</td>
<td>3</td>
<td>-1</td>
</tr>
<tr>
<td>Lithuanian Poles' Electoral Action</td>
<td>3</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Lithuanian Peasants and Peoples/Greens Union</td>
<td>3</td>
<td>1</td>
<td>-2</td>
</tr>
<tr>
<td>New Union (Social Liberals)³</td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>Way of Courage</td>
<td>0</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

²The post-election seats total to 170 because the Central Election Commission voided the results in a single constituency (Zarasai-Visaginas) due to allegations of fraud.
³The National Resurrection Party merged with the Liberal and Centre Union and New Union merged with Labour in 2011.

Immediately after the results became clear, the Social Democrats, Labour, and Order and Justice made clear their intentions of forming a majority government. Unfortunately for the Labour party, present and past accusations of electoral fraud would haunt them. Not only were multiple Labour party candidates being actively investigated for vote buying, but Labour Party leader Viktor Uspaskich also faces lingering accusations of party financing fraud from 2004-2006. In light of accusations of electoral fraud against the Labour Party, President Dalia Grybauskaite threatened to not approve any governing coalition that included them. In fact, she submitted a petition to the Constitutional Court to evaluate whether the election was free and fair. This came directly on the heels of the three parties defiantly inking an agreement to form a majority coalition. The Court took up the complaint, and ruled on November 10 that allegations of fraud were not extensive enough to invalidate the entire election. Though, the Court did exclude three Labour and one Social Democrat candidate that were accused of vote-buying. The Court’s ruling affirms the results of the election and cleared a path for the Social
Democrats, Labour, and Order and Justice to form a majority government. To that end, Algirdas Butkevicius of the Social Democrats will become the new Prime Minister.

6. Implications

The 2012 parliamentary election in Lithuania has practical political, as well as scholarly, implications. First, the outcome of this election certainly has important geopolitical implications. Since returning to office, Russian President Valdimir Putin has expressed a goal of expanding Russian influence over former Soviet-bloc countries. Recent elections of figures such as Ukraine’s Viktor Yanukovych and Georgia’s Bidzina Ivanishvili show a swing back toward pro-Russian sentiments among leaders being elected in the former Soviet countries. In the case of Lithuania, the Social Democrat and Labour Parties are less antagonistic toward Russia and Russian interests than the HU-LCD. While Lithuania is a member of the European Union and has shown aspirations of joining the Euro, the election of a center-left ruling coalition could, at the very least, be less hostile towards Russia. Indeed, the Social Democrats and Labour have both expressed the desire to defrost relations with the country.

The election, and particularly the referendum results, also has distinct implications for the future of the Visaginas nuclear power plant project. The opposition parties of the last Parliament were instrumental in placing the referendum on the Parliamentary ballot and are generally not supportive of the project. Though, the Social Democrats have shown clearer misgivings about the project than their allies. Popular opposition to the project through the referendum vote gives the opposition cover for either scrapping or delaying the project. Considering Lithuania has a larger stake in the project than Estonia and Latvia (not to mention it would be the host country of the plant), this raises serious doubts about the project’s future. That being said, persistently high electric prices and Russian dominance of Lithuania’s electric imports could spur the parties to consider ways to replace the project in order to lessen foreign influence of their electric market. Of course, this does not alter the push to develop nuclear power in Lithuania’s neighborhood. There are currently proposed plants in Poland, Belarus, and the Kaliningrad District.

The election also has implications for Lithuania’s economic future. Part of what brought down the HU-LCD-led government was public weariness over the government’s severe austerity measures. Granted, these measures did contribute to a large contraction in the European Union’s fifth smallest economy, but Lithuania has subsequently been growing more quickly than many of the Union’s members. Prime Minister Kubilius was praised by the European Union and International Monetary Fund for his austerity plan, but that did not translate into electoral support in this round of elections. Subsequently, the new ruling coalition has promised to raise the minimum wage and reduce some taxes.
While the future of the austerity program is now in question, President Grybauskaite is still supportive of the austerity measures. Additionally, the new center-left coalition will likely find their fiscal policy constrained by the Maastricht Treaty’s requirement to maintain budget deficits below three percent of gross domestic product. Prior to the election, Prime Minister Kubilius was steering Lithuania towards an expressed goal of joining the Euro in 2014. In fact, Lithuania was on track to see its deficit drop below three percent in the 2013 budget. The new coalition has expressed plans to delay the target date for adopting the Euro for one year, but does not seem interested in scrapping the adoption all together.

Lithuania’s 2012 parliamentary elections have interesting implications for scholars studying Baltic and post-communist electoral systems (Ramonaite, 2006; Pettai and Kreuzer, 2003). These authors have highlighted the electoral volatility in Lithuania since its first post-Soviet elections in 1992. This round of elections lends a bit of support to these observations, while also raising important questions. Since independence, Lithuania has experienced a pattern of oscillation in support between governments controlled by the political left and right. This election is no different, in that party control swung back to the left after four years of being firmly in the grasp of the HU-LCD.

While the electoral pendulum continued, Lithuania did not repeat its recent pattern of very successful new parties. For instance, in 2004, the Labour party won the largest share of seats in the Seimas in its first election as a party. Then, in 2008, the National Resurrection Party (now merged with the Liberal and Centre Union) as well as the Liberal Movement were both new parties, won 27 total seats, and joined with the older HU-LCD to form a governing coalition. Of the eight new parties competing in the 2012 election, only Way and Courage met the threshold to be proportionally represented in the Seimas. While not a brand new party, the 2012 election does mark the first time that the Lithuanian Poles’ Electoral Action, representing the large Polish diaspora in Lithuania, met the threshold for proportional representation in the Seimas. They were only previously successful in a limited set of constituency elections.

As the dust settles from the 2012 parliamentary elections, the new center-left coalition certainly faces difficult challenges in governing with a hostile President, a shrinking population, and heightened popular displeasure with the state of the economy. The same coalition that is coming to power fell apart shortly before the election over the issue of the Visaginas nuclear power plant. The success of the new government may rely on their ability to maintain cohesion as a group, as much as being shaped by outside events.
References


Tables