

Lithuanian voters punish conservative government for austerity measures

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Lithuanian federal elections on October 28 resulted in Prime Minister Andrius Kubilius's centre-right coalition losing its parliamentary majority. The building of a new government is proving extremely difficult.

President Dalia Grybauskaite has instructed Algirdas Butkevicius (Lithuanian Social Democratic Party, LSDP) to form a government. But she wants to prevent Butkevicius from accepting Russian-born millionaire Viktor Uspaskich's Democratic Labour Party of Lithuania (DLPL) into a government that will include the right-wing free-trade Party for Order and Justice. After the election, the three parties agreed to form a coalition. Their combined forces will have a clear majority of 78 of the 141 seats in the newly elected parliament.

Compared to the 2008 elections, the social democrats increased their support by more than 6 percent to gain 38 mandates, making them the strongest party. The previously ruling Homeland Union of Prime Minister Andrius Kubilius, however, lost nearly 5 percent, garnering only 33 seats. The Labour Party benefited most from the government's losses, increasing its representation from 9 to 29 seats. As in previous elections, the turnout was very low, at 52 percent.

The Kubilius government has been punished for its tough austerity policies. Following the 2008 election, it committed the country to savage public expenditure cuts that exceeded the reform programmes of fellow European Union (EU) member states in western Europe. Pensions and salaries in the public sector were slashed by 20 to 40 percent. In the wake of a rapid increase in unemployment—the official unemployment rate in the second quarter of 2012 was 13.3 percent—the government increased the tax burden on ordinary people. The social infrastructure was left to decay.

As in neighbouring Latvia, there was a wave of emigration with many people moving to west European countries. As a consequence, the population declined to 2.98 million in September of this year. This is the lowest level in decades.

According to the World Health Organisation, Lithuania is among the countries with the highest suicide rates. Some 34 of every 100,000 Lithuanians took their own lives in 2009. This amounts to three times the suicide rate in Spain or the United States. Male life expectancy in Lithuania is more than nine years less than it is in Germany.

Having joined the EU in 2004, the former Soviet republic of Lithuania had by 2008 experienced strong economic growth, fed mainly by strong direct investment from western Europe. This came to a halt with the global financial crisis. The country's economy collapsed by 15 percent in 2009.

Under these conditions, voters in the recent election shunned the government for the opposition parties.

Jurgita Kacinskiene, 36, told the AFP news agency: 'I've suffered during the crisis. My wage was cut and my husband lost his job. We were confronted with emigration, loss of wages, soaring prices and corruption. I chose the Labour Party. They should be given a chance'.

The German 'Tagesschau' television news programme quoted another voter, who said: 'I'm hoping for more justice, especially with the tax burden. If we're supposed to be a part of Europe, then we want to live with the dignity of Europeans, too'. One woman expressed her distrust of all the official parties: 'We're still waiting for the generation that will really fight for Lithuania. Our politicians have grown lazy. They're only concerned about their own needs. They don't care about ordinary people'.

During the election campaign, incumbent prime minister Kubilius defended his austerity plan and declared his intention to continue it after the election. He was the preferred candidate of the EU and international financial institutions.

On the other hand, the social democrats criticised the recent budget cuts and promised to follow an election victory with an increase in social spending and pensions, as well as a rise in the minimum wage to the equivalent of €290. They also announced they would postpone the planned introduction of the euro in 2014 until the debt crisis was resolved.

These were merely hollow election promises. Having ruled Lithuania from 2001 to 2008, the social democrats differ from the conservatives only in details.

The Lithuanian Social Democratic Party only established itself in Lithuania in 1989, having previously operated in exile. It was characterised by anti-Russian chauvinism and a commitment to the market economy. But its anti-communism did not preclude close collaboration with the successors of the Stalinist state party that ruled the country from 1992 to 1996. These former ‘communists’ had turned into advocates of capitalist restoration and secession from the Soviet Union. In 2001, the social democrats and post-Stalinist LDDP united to form a party under the chairmanship of LDDP head Algirdas Brazauskas.

Brazauskas became prime minister in the same year, ruling the country in shifting coalitions until 2008. During this time, Lithuania’s accession into the EU was accompanied by extensive privatisations and social cuts.

There is therefore absolutely no doubt that a social democratic government led by Algirdas Butkevicius will continue the fundamental policies of the previous government. This also applies to the Labour Party Butkevicius wants to include in his government. It was founded in 2003 by millionaire Viktor Uspaskich, who—in the style of Italy’s Silvio Berlusconi—dominates the party, managing it as though it were a private company. Despite its name and the occasional populist outbursts of its leader, the Labour Party is a right-wing, purely bourgeois organisation.

The Labour Party has no fixed political programme, and its members are drawn mainly from the country’s wealthy elite. It has the most assets of any Lithuanian party. Within the EU parliament, it is a member of the

Alliance of Liberals and Democrats for Europe, which also includes delegates from the German Free Democratic Party.

From 1997 to 2003, Uspaskich was chairman of the Lithuanian employers’ association and was elected to parliament on a liberal ticket in 2000. In 2004, his newly founded Labour Party exploited populist promises to achieve a surprising success in the polls. Its 28 percent of the vote made it the strongest party in parliament. Uspaskich went on to support social democratic prime minister Brazauskas and briefly served as minister of economic affairs, before various corruption scandals caused him to resign and eventually flee to Russia to escape the Lithuanian justice department. He returned in 2007 and was placed under house arrest. The case against him remains open.

President Grybauskaite justifies her opposition to the Labour Party’s participation in government by citing its alleged vote buying and tax avoidance. She has said that a party accused of serious violations of electoral law should not be involved in government. The police are investigating 27 cases of voter fraud, 18 of them related to allegations of vote buying. The Labour Party is said to be involved in most of these cases.

The former EU budget commissioner thus speaks for those sections of the ruling elite that regard inclusion of the Labour Party as a threat to government stability and continued austerity. Another cause for alarm is Uspaskich’s close relations with Russia, which are viewed with suspicion both in the Lithuanian capital Vilnius and in Brussels.



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