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# The governmental crisis in Lithuania has been resolved

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On 19 March a breakthrough came in the month-long crisis in the centre-right coalition ruling in Lithuania. When the coalition was threatened with disintegration, a compromise was reached – at the initiative of President Dalia Grybauskaite – between the leaders of the parties in conflict: Prime Minister Andrius Kubilius (Homeland Union/Lithuanian Christian Democrats, TS/LKD) and Algis Caplikas (Liberal and Centre Union - LiCS). The third coalition partner – the Liberal Movement – initially sided with the prime minister.

The conflict arose when the prime minister demanded the resignation of the interior minister Raimundas Palaitis (LiCS) who had dismissed the head of the **Financial Crime Investigation Service** (FNTT, subordinated to the Ministry of the Interior), and his co-workers and who had not agreed to reinstate them. The head of the FNTT enjoyed trust of the prime minister. The interior minister considered them guilty of the leak of information with regard to the government-controlled collapse of Snoras bank. President Grybauskaite rejected the prime minister's request to dismiss Palaitis explaining that she did not want to become involved in a short-term political struggle. She advised the prime minister to use the questioning time in parliament in the case of the minister. After failed attempts to reach an agreement with his coalition partner on 18 March the prime minister stated that the coalition agreement is in fact not in force. The compromise was forged during the meeting with President Grybauskaite; minister Palaitis declared that he would resign and the dismissed FNTT employees could be brought back to their posts but only following a decision in court.

**Commentary**

- If the coalition partners commit to their agreements, Lithuania will not be threatened with an early parliamentary election (according to the plan scheduled on 14 October) or a reconstruction of the coalition involving the opposition or a weak minority coalition government. Maintaining co-operation between the coalition partners is beneficial for Prime Minister Kubilius because the Conservatives have announced the completion of the work on the package of energy laws by June, including above all the concession deal with regard to the nuclear energy power plant in Visaginas with the participation of Hitachi as the investor. As the support for the Conservatives is falling in opinion polls (they are now behind the Social Democrats and the populist Labour Party) Kubilius is expecting that he will regain support for his party due to the success of his energy policy.

- The government crisis was a prelude to the electoral campaign. LiCS as the coalition partner was becoming more and more marginalised by the Conservatives, particularly after its former charismatic leader, Arturas Zuokas (mayor of Vilnius), left the party. Opinion polls indicate that LiCS is losing popularity and will not pass the electoral threshold of 5%, as along with the other centre-right parties except for the Conservatives. By striking at the management of the FNTT, LiCS tried to prove that it was taking care of social interest in the case of the collapse of the Snoras bank, which was important for citizens. This move could have translates into increased the support for the party.

- The threat of the disintegration of the coalition used by the prime minister was intended as a disciplinary measure. Kubilius wanted to force Palaitis to resign and indicated his remaining in office would lead to a dangerous precedent where a minister could not be dismissed despite the prime minister's request. This situation revealed to what extent authority of Prime Minister Kubilius had faltered in recent years (in surveys Lithuanians see him as one of the least popular politicians). It is also an important lesson learnt for the Conservatives who are forced to seriously consider who will be the party's leader in the electoral campaign.