



Electoral Swing: Centre-Left Takes Power in Lithuania

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After the October parliamentary elections in Lithuania, the centre-right conservative government lost power and the winning Social Democrats are responsible for creating a new one. Among the potential coalition partners there are no fundamental differences in foreign policy, which is to strengthen the country's security. A change in priorities also is not expected, although there will be differences in the tactics of their implementation. At the same time, Poland will continue to be Lithuania's key partner in the region.

Elections and Changes in the Political Scene. The parliamentary elections were held in two rounds, on 13 and 27 October, concluding an intense electoral calendar after the election of the president in May and the election of MEPs in June. Despite this, the turnout was the highest in recent years and exceeded 52% in the first round. This is related to the increasing fragmentation and polarisation of the political scene manifested by, among others, the result of the newly established populist party of Remigijus Žemaitaitis, the "Dawn of Nemunas". It took third place (20 seats), but due to its extreme rhetoric, including anti-Semitic ones, it was to be quarantined by the Social Democrats and other parties.

The largest faction in the Seimas will be the Lithuanian Social Democratic Party (LSDP), which won 52 seats out of 141, while the ruling conservatives, the Homeland Unity-Christian Democrats (TS-LKD), came second (28 seats). The co-ruling Liberal Union maintained its presence (12 seats), but the other partner in the now outgoing coalition, the Freedom Party, did not cross the electoral threshold.

The composition of the potential new cabinet, however, does not correspond to pre-election predictions. After the first round, the Social Democrats and the Union of Democrats—"For Lithuania" (14 seats) declared cooperation, and their coalition partner was initially supposed to be either the Union of Farmers and Greens (LVŽS, 8 seats) or the Liberals. A joint cabinet with LVŽS could count on up to 74 deputies, and with the liberals as many as 78. The LSDP's priority is to create the broadest possible coalition with a firm majority in parliament.

However, this is limited in some cases by party and personal interests—the Union of Democrats is a branch of the LVŽS that ruled in 2016–2020—or by programmatic differences, for example, with the Liberals.

Although the leader of the LSDP, Vilija Blinkevičiūtė, leaned towards the LVŽS, to the disappointment of the party's voters, she will not take over as prime minister, to which post the party has nominated the less popular Gintautas Paluckis. He did not rule out talks with "Dawn of Nemunas". As a result, on 8 November, the left concluded a preliminary agreement in which the controversial party would join up with the Union of Democrats. In this composition, the coalition could count on 86 seats, as well as the support of the Polish minority party, the Electoral Action of Poles—Union of Christian Families (AWPL-ZCHR), which will have three MPs, each elected in single-member constituencies.

Key Issues in Establishing a New Government. The election campaign focused on domestic issues, including counteracting the economic crisis. Although the public assesses the economic situation as stabilising, it still fears further price increases. In polling, over 50% of Lithuanians report they are still feeling the effects of significant price increases in recent years; for example, in 2022, the average inflation level was 18.9%. Meanwhile, the forecasts of the Bank of Lithuania estimate that inflation will increase by just over 2% in 2025 (compared to 1% this year) and GDP by 3% (compared to 2.2% in 2024).

Before 2024, economic growth was slowed by high energy prices (average €230 per MWh in 2022 and €99 per MWh in

2023), but the State Energy Regulatory Council (VERT) now predicts a further decline of 13%. Nevertheless, in order to increase energy market stabilisation and consumer protection, the government may increase the powers of the state regulator.

Lithuanian society will continue to be one of the fastest-ageing in the EU, also due to the negative birth rate. It is expected that in 2030 there will be 2.4 million inhabitants in Lithuania, and in 2045, 2 million. For the centre-left government, the key issues will be social welfare, changes to the pension system and family-friendly subsidies. According to the budget in progress, prepared by the outgoing cabinet, in 2025 expenditures in the areas of social security, health and education are to increase by 14%, and the Social Democrats intend to increase them further.

The issue of Lithuanian Poles (about 6% of society) was not significant in the campaign, but it still stirred controversy. On 17 October, between the first and second rounds, another draft of a new law on national minorities was voted on, but lacked a quorum. However, the law, which was voted on again on 7 November, provides the necessary legal basis, such as the definition of a “national minority”, but does not directly regulate such issues as spellings, bilingual signs or education, important for Lithuanian Poles.

Foreign and Security Policy. Lithuania’s foreign policy priorities are determined by actions aimed at increasing the security of the state. This is in response to social demand, as 60% of residents already consider war to be the greatest threat (6 percentage points higher year on year since 2022, and the start of the full-scale Russian invasion of Ukraine). The potential coalition partners therefore announced that they intend to strengthen the country’s defence capabilities and resistance to external threats. This should translate into closer transatlantic cooperation, even after Donald Trump’s victory. However, in this case, the policy towards the United States will be diversified and more pragmatic, focused on specific goals, mainly in the field of security. With this approach, the importance of regional partners on the Eastern Flank of the Alliance will increase, for example, in the context of building common air defences.

Key will be the reception of a Bundeswehr brigade in 2025, which is to guarantee the implementation of NATO’s regional defence plans. For Lithuania, this requires focusing on the expansion and modernisation of infrastructure and is associated with the need to increase defence funding. The left assumes an increase in these expenses to at least 3.5% of GDP.

Criticism of Russia’s aggressive policy means continued support for Ukraine. Lithuania and the other Baltic States are in the vanguard in this respect, and a change of government will not reverse this trend. This will also translate into continued support for Ukrainian membership in the EU and NATO.

A difference in international relations may concern China, towards which Lithuania has pursued a policy of contestation, as evidenced by, among other things, the opening in Lithuania of a Taiwan Representative Office. In 2021, the opposition,

including the Social Democrats, criticised the government’s demonstrative stance, which caused negative consequences in economic cooperation with China. Therefore, Lithuania would like to normalise relations in order to, for example, increase trade exchange.

To achieve a guarantee of coherence in foreign policy, the LSDP is willing to agree that the head of state should play a greater role in it. The competence dispute was the cause of problems between the conservative government of Ingrida Šimonytė and President Gitanas Nausėda, who is not formally affiliated with any party. Wanting to support Lithuania’s international visibility, the left will also strive to raise the prestige of the diplomatic corps.

Conclusions. The elections in Lithuania are yet another swing in power in which in each cycle the opposition wins. As a result, the new government will be formed by the Social Democrats, most likely with the Democrats and “Dawn of Nemunas”. The lack of acceptance of the latter party by the president, especially if Žemaitaitis were to run for a ministerial position, could result in LVŽS entering the government, which would guarantee pursuit of a redistributive policy.

It will be difficult for the centre-left government to maintain GDP growth if it decides to increase spending on social policy, which will require raising taxes. This creates a risk of economic slowdown and a threat of more state debt. An extensive subsidy system will not be easy to reconcile with increasing defence financing and efficient implementation of capital-intensive investments strengthening NATO’s Eastern Flank. This may extend the completion dates of projects, which could be significant in the context of the election results in the U.S. and the possible withdrawal of American soldiers from Europe. Lithuania’s support for EU defence concepts will therefore increase.

The new authorities, although they will continue to subordinate foreign policy to security and treat transatlantic cooperation as a priority, will become more pragmatic and balanced in relations with the U.S. At the same time, one can expect an attempt to normalise relations with China, which is to be accompanied by growing economic diplomacy, mainly for the sake of acquiring trade partners from Asia. This may be facilitated by greater coherence in Lithuania’s foreign policy and closer cooperation between the government and the presidential centre. This may also increase the effectiveness of Lithuania’s actions in the EU.

Due to the new government’s desire to strengthen the EU’s external borders, it can be expected that it will focus even more attention on cooperation in the region. Poland will therefore remain a key partner, and the centre-left will particularly strive to tighten military cooperation. Poland will continue to be important also in the context of supporting Ukraine, which will ensure, for example, intensification of activities within the joint LITPOLUKRBRIG unit. The issue of the Polish minority will invariably resonate in bilateral relations, and the implementation of its demands will require the support of the Polish authorities.