Lithuanian Political Science Yearbook 2002

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We are happy to present the fourth volume of the Lithuanian Political Science Yearbook. The Lithuanian Political Science Yearbook is a continuous political science publication issued by the Institute of International Relations and Political Science of Vilnius University and the Lithuanian Political Science Association. The aim of this publication is to present, first of all, to the foreign readers the achievements of the Lithuanian political science as well as the tendencies of the development in the domestic and foreign policy of Lithuania.

The present volume of the Yearbook is based on the previously employed principles. The main topic of this volume is the Presidential and Local elections 2002 in Lithuania. What are the perspectives of relationship between the main political institutions, namely, the president, the prime minister and the parliament after the Presidential Election 2002? Will the main ambition of the President for effectiveness be devoted to modify the semi-presidential system in Lithuania? How will the party system develop in Lithuania after Presidential and Local elections? What are the causal factors of the government stability level existing in Central Europe? What are the possible policy and institutional changes related with Lithuania's accession to the EU? Why does Russia so easily agree with the second wave of NATO enlargement?

These are some of the questions that the Yearbook 2002 is trying to answer.

The Yearbook 2002 also presents a research project "European Union and Ukraine: Lithuanian Perspective" prepared by the Institute of International Relations and Political Science of Vilnius University together with the Institute of Ukraine Studies. The European integration process poses serious challenges not only in the internal space of EU, but also in the external ones – the future relations with the neighbouring countries. It was the reason that the European Commission initiated considerations on the topic of the so-called "Wider Europe". The joint research paper presents reasoned recommendations on how the perspective of differentiation with respect to the neighbouring states proposed by the EU could be realised in Ukraine's case.

The Editor of the present publication would like to express special thanks to the Sponsors whose financial assistance enabled this project to be realised.
PRESIDENTIAL AND LOCAL ELECTIONS 2002
LITHUANIA'S SEMI-PRESIDENTIAL MODEL: PROSPECTS FOR THE STABILITY OF THE INTER-INSTITUTIONAL RELATIONS

Vyktas Pugačiauskas

Introduction

Lithuanian presidential election of 2002—2003 has arguably demonstrated the power of public relations technologies in the society that is still captured by the disillusionment with the outcome of the transition. The election results might have therefore been surprising for some, including some political scientists, but now that the focus of the political process returns back from public debates to the political institutions in the narrow sense of the word, political scientists might again feel more confident in predicting the workings of the political system. This article, based on a seminar presentation delivered yet before the inauguration of the newly-elected President, is a brief attempt to apply the political theory on institutional models to forecast in the short-to-medium term the modes of relationship between the main political institutions, namely, the president, the prime minister and the parliament (or parliamentary majority).

If there were one aspect of political change to be singled out when discussing the last presidential election, that would arguably be the change of the concept of stability. Previous elections were held in the context of transition to, and consolidation of, democracy and normalization of political process. Thus the main connotation of stability was democratic stability and attention to both normative and procedural aspects of democracy. The outcome of the 2002—2003 election has demonstrated not only the influence of public relations but, first and foremost, that stability is now associated — timely but perhaps still worryingly from the normative standpoint — with government effectiveness. The prevailing rhetoric of the winning camp has highlighted the need for government effectiveness understood as a smooth functioning of the executive branch whereby the governing initiatives (stemming from the presidency in the first place) are adopted in time and implemented with a minimal resistance in the government and the parliament. In short, stable government has come
to be associated by the winners of the last election with presidential leadership. The task of this article is to explore the possibilities for the efficient inter-institutional relationship within Lithuania’s constitutional framework and given its political context. To do so, the peculiarities of the semi-presidential political system will be analyzed and the conditions for effective semi-presidentialism will be enumerated and applied to the Lithuanian political context. Given the constantly growing body of literature on semi-presidentialism this account is necessarily simplistic but arguably adequate to the practical aim of this article.

1. Semi-Presidentialism and Its Origins

Given the reaction by a large part of the political elite to the election results there might arise some political incentives to marginalize the role of the president by regarding the political system as parliamentary. While the theoretical debate on the placement of Lithuania’s political system within the classification of political regime types is still ongoing, from a perspective of political science it can be legitimately attributed to the category of semi-presidential regimes. This placement is based on both the constitutional framework of the political system and the evaluation of political practices.

The briefest definition of a semi-presidential model would amount to two words, “competitive diarchy.” A more detailed account must include at least three criteria: (1) the president is elected by a popular vote for a fixed term, (2) the president is involved in the executive policy, and (3) the government depends on the confidence of the legislature. These criteria are not purely formal. In the words of Robert Elgie, this definition comprises not only “dispositional properties” but also “relational properties” as demonstrated by the second criterion. While the inclusion of the informal criteria might compromise the precision of the definition, it also brings forward the essential logic of the model where the executive powers are shared — or claimed — in one proportion or another by both the president and the government.

While the semi-presidential political system as a unique arrangement originated in the need for effective government by the French Fourth Republic, its underlying notion was compromise, not effectiveness. The compromise nature of the arrangement has been especially prominent in the political systems that have adopted semi-presidentialism during the transition from Communism. This has been demonstrated by the task faced by the Poland’s Round Table talks to accommodate contradictory interests through the subtle institutional mechanisms.

The original idea behind semi-presidential arrangement thus has been the balance of executive power, not government effectiveness. The notion of
effectiveness — defined for the purposes of this article as the ability to adopt the required decisions in time — per se does not run counter to the idea of semi-presidentialism, but if a rather cynical evaluation is to be made, effective semi-presidential government is only one of the possible modes of inter-institutional relations under this arrangement.

Two types of semi-presidential political systems, premier—presidential and presidential—parliamentary, have been distinguished. The classificatory criterion might appear rather formal: in the political systems of a latter type, the president might remove the prime minister while under the premier—presidential arrangement that is not possible. This however has a major impact on the political process. In the premier—presidential political systems, the main arena of the “competitive diarchy” is the executive while in presidential—parliamentary systems conflicts tend to occur in the parliament. It has also been observed that presidential—parliamentary regimes not only are less stable but also tend to emphasize formal powers of the presidency.

Lithuania’s semi-presidential system, as well as that of Poland and France, might be classified as premier—presidential and the name itself suggests which political actor is expected to prevail in the executive. On the other hand, the prime minister and the government are formally responsible to the parliament. However, formal classification is somewhat misleading as in reality there have been cases when the president was successful in dismissing the prime minister. President Lech Wałęsa of Poland forced the resignation of Jan Olszewski while Lithuanian presidents Algirdas Brazauskas and Valdas Adamkus played the key roles in the resignations of Adolfas Žilevičius and Gediminas Vagnorius, respectively. This leads us to the first conclusion: semi-presidential model of any type in certain circumstances enables the president — formally or informally — to influence the survival of the government. If so, it is not possible to have a “perfect” semi-presidential model that by itself would preclude government crises. We now turn to the exploration of the conditions for effective semi-presidentialism, and then to the evaluation of the possibilities to apply these conditions in the current situation.

2. The Sources of Political Influence

If the president is able to assume a larger role in the political system than has been envisaged by the constitution makers, what are the sources of the presidential influence? The first and seemingly trivial answer is, that there are still no deep-rooted traditions of political process. Secondly, politics — and especially presidential politics — is becoming increasingly personalized. As Arend Lijphart put it, even though presidential and parliamentary powers might be
balanced, every one — and among them the president, the general public and
even the political scientists — believe that the claims of the president are
stronger than those of the legislature. This has arguably been demonstrated
again by the 2002—2003 election campaign. Thirdly and specifically, inter-
institutional relations in the semi-presidential model like in no other depend
on the personality of the incumbent.

A classical example of personal influence is Charles de Gaulle of France. It
was his “high start” that has created the tradition of the strong presidency. In a
not-so-long political history of Lithuanian semi-presidentialism, distinctive
personalities of the incumbents have also led to distinctive political styles.
Laimonas T alat-K elpā has called the short periods of sudden activity followed
by long periods of passive observation of President Algirdas Brazauskas a “lurking
cohabitation.” Valdas Adamkus’ political style has oscillated between proactive
and reactive modes but only rarely he opted to stay passive. Thus Lithuania has
already seen various modes of presidential involvement into politics, but as its
intensity has been shifting from one extreme to another, traditions — or patterns
of expectation — are still lacking. As I have just noted, political traditions
might look a trivial explanation for the extent of presidential influence but as
the new President displaying a distinctly activist stance has been elected, precisely
the lack of traditions might become the defining factor for the new constellation
of institutional actors. Semi-presidential model not only allows the president
to choose among various options ranging from symbolic to activist but also
makes the politics of inter-institutional relations more dependent on the
informal, extra-constitutional, or purely accidental factors.

3. Between Presidential Majority and Symbolic President

If semi-presidentialism, a competitive diarchy, is to be effective, either
diarchy or competition must be minimized. Essentially, minimal diarchy means
presidential leadership of the executive whereby the head of state becomes also
a de facto head of government while the prime minister takes an administrative
role. Minimal competition means that the president assumes merely symbolic
functions, while the state is governed by the cabinet under the leadership of the
prime minister. This is a “model” semi-presidentialism as described by Maurice
Duverger, and the two “effective” patterns of inter-institutional relationship
by no means form a complete list of possible power configurations under the
semi-presidential arrangement. The French — and arguably Polish — experience
with semi-presidentialism allows us to generalize that the president becomes a
de facto head of government when he is identified with a party that has a
parliamentary majority. If the parliament is dominated by a coherent majority
from the opposition to the president, the latter has strong incentives to retain merely symbolic functions and to “cohabitate” with a government that has a solid backing in the parliament. While the latter pattern might not preclude severe political conflicts between parliamentary majority and the president, both patterns suppose an effective functioning of the executive. They are determined by the two main factors: party configuration in the parliament and party identification by the president.

The key to effective semi-presidentialism is a stable parliamentary majority which is produced by a consolidated party system, characterized by moderate fragmentation and polarization — and predictability. This article is not a place to discuss party system consolidation in Lithuania but even a passing observation would reveal many problems. While the polarization between left and right might be decreasing, the fragmentation and electoral volatility have grown in the last two parliamentary terms. In terms of predictability, the whole left—right scale is losing its identificatory meaning — partly because of the conscious efforts of the previous President to present itself as the above-party figure. To be sure, some countervailing trends of mainstream party mergers and learning in coalition politics are emerging but it remains to be seen in the short to medium term if they prove to reverse the unsettling tendencies in the party system.

Therefore, rather paradoxically, the first two Seimas terms (1992—2000) with the clear-cut divisions between virtually one party majorities and coherent opposition might have become the golden age of effective semi-presidentialism (they did not, for many reasons falling outside the scope of this article) that has little chance of return. Even the measures that would possibly work under other circumstances, such as the introduction of majority voting in the general elections, in Lithuanian structural and party system context would most probably have the opposite effect of producing centrifugal trends and “parochial politics.” As the example of Russian parliamentary elections has illustrated, there is no clear answer if the parties in the unconsolidated party system are able to utilize the advantages of disproportionality that are offered by the majority voting. Another option of synchronizing presidential and parliamentary terms and election schedule might reduce the possibility of cohabitation but in itself it is not sufficient to produce coherent parliamentary majorities.

The second condition for the effective semi-presidentialism is a clear party identification of the president. Admittedly, the Lithuanian Constitution requires the president to relinquish all party links, as does the Polish Constitution. However, the experience of both countries demonstrates that the political practice is no less important. The presidents who had no clear party identification, Adamkus and Wałęsa, used to resort more often to the appeals of popular
support — thus attempting to resolve political conflicts by extra-constitutional means — than their counterparts Brazauskas and Aleksander Kwainiewski, who had identifiable, albeit informal, party links.

These two conditions by no means exhaust the list of requirements for effective semi-presidentialism. As it was already noted, it hinges on many accidental and systemic factors, not least constitutional clarity with regard to power distribution and residual powers. Nevertheless, put in negative terms, it is difficult to achieve effective semi-presidentialism unless both conditions are satisfied, formally or informally. In practice, neither condition has been fully satisfied in the not very long political practice of Lithuanian semi-presidentialism. We now turn to the question whether stable inter-institutional relations and effective decision making are possible to achieve during the next presidential term.

4. No Effective Semi-Presidentialism

It is always tricky to try to forecast inter-institutional relationships based principally on the election campaign. The political process after the elections might differ considerably from what was envisaged during the “rhetorical” phase. However, the theoretical conclusions just reached might be applied to the current political situation. There are several reasons to believe that effective semi-presidentialism will be difficult to achieve during President Rolandas Paksas tenure, at least until the next parliamentary election.

The first reason is that the parliamentary center-left majority has no clear position on Paksas. Even if the inclusion of the “presidential” party of Liberal democrats into the government (producing an oversized coalition) is debated behind the scenes, the inclusion alone would not mean that the President would become informal head of the parliamentary majority and the government. On the contrary, given rather important policy differences between the current coalition members and the Liberal democrats, the growing fragmentation would tend to reduce the ability of the government to adopt required decisions on time. The remaining option of “effective” cohabitation also seems unlikely because of the rather ambitious claims to several executive powers (especially law and order) made by Paksas and his team during the election campaign. By implication, those claims meant that the current government was unable to ensure effective implementation of the executive policies under question.

The second reason is party identification. To be sure, President Paksas is clearly identified with the Liberal-democratic party but the ideological position of the President and “his” party are ambiguous at best. While this might increase the coalition potential for the party, its unpredictability might also inhibit the
process of decision making inside the government. This is one of the reasons for the current political isolation of the Liberal democrats that makes it unlikely to become the party of a “presidential majority”.

What, then, remains once the presidential leadership pattern is all but eliminated? As it has already been noted, the cohabitation of the president and prime minister from opposing political camps is not detrimental to the stability (or, for that matter, effectiveness) of the political system — if, that is, it is accepted by both the president and the parliamentary majority that are in turn influenced by the party system format and the prevailing political traditions. A rather more dangerous situation arises when the president does not accept this pattern but has no institutional means to change the situation. “Classical” French semi-presidential model prescribes a way out of the crisis by allowing the president, in certain circumstances, to dissolve the National Assembly. The Lithuanian president has virtually no such option, therefore, theoretically, such conflict might be prolonged at least until the next parliamentary election. In practice, one of the few available options for the president willing to impose early parliamentary election is to use the extra-institutional, or extra-constitutional, methods to divide the governing coalition.

A practicable alternative for the president is to bypass the cohabitation rather than to change the parliamentary majority through the new election. The president might then escalate the competitive diarchy by attempting to outpower the government or the parliament. When it came to the government, this was practiced by Adamkus of Lithuania and Wałęsa of Poland. They tried to create quasi-parallel bodies with some executive functions. In Lithuania, the question of ambiguous division of executive power is especially acute and could be skillfully exploited by an incumbent president. The Constitution establishes that the ministers are “responsible to the Parliament, the President of the Republic, and directly subordinate to the Prime Minister” (Article 96, my emphasis) and have to countersign several types of presidential decrees. In addition, the Constitution does not essentially limit presidential powers in a manner that the Polish Constitution does by according the government with all the powers not explicitly “reserved to other State organs or local self-government” (Article 146). This ambiguity might lead to conflicts over the appointments or dismissals of the officials of several executive institutions. Finally, the Constitution remains rather vague on the foreign policy, the most important domain of the presidency, and on the peace-time status of the president as the supreme commander-in-chief.

The ambiguity on what the “implementation of the foreign policy together with the government” (as established in Article 84) means might lead to increasing conflicts in the near future. On a personal level, the President and
his team seem to display a cooler attitude towards the European Union (EU) integration and more enthusiasm towards the so-called “Eastern” policy dimension than the heads of the Foreign Ministry. On a systemic level, the division of foreign policy responsibilities might grow even more ambiguous with the accession to the EU. Initially, this was considered a matter of foreign policy but with the transfer of the community’s acquis, presidential claims—however reluctant—to lead the accession effort might become contested by government on the basis that most aspects of the accession pertain to the domestic policy.

Quite apart from the institutional matters, semi-presidential arrangement does not preclude personal conflicts between presidents and prime ministers and might even encourage them. They have been common to most post-Communist political systems and their intensity largely depended on the ambitions and political style of the leaders but semi-presidential arrangements seem to have experienced these kinds of conflict more often than others. If “crisis is the ally of ambitious presidents,” then President Paksas with a rather ambitious agenda might opt for carefully calculated confrontational style at least in some matters to outbalance the popularity, experience and political weight of Prime Minister Brazauskas.

When it came to the parliament, the Seimas, the use of the two main presidential instruments—the right of legislative initiative and veto power—has been coherent with the presidential party regimes. During the “lurking cohabitation” of leftist Brazauskas and “his” leftist parliamentary majority the most important political instrument was the right of legislative initiative. When the presidents had to cohabitate with the Seimas that was fragmented or dominated by an opposing majority, veto powers took center stage. This not only reflects an obvious split in preferences but also points to the fact that when the president is not a (informal) leader of a parliamentary majority, he or she has few possibilities to draw on the institutional resources of the government while preparing and proposing laws under the right of legislative initiative. This however might provide the incentives for the president to issue decrees in the domains where the competence is contested with the government.

Conclusions

The strongest feature of semi-presidentialism is political stability understood in terms of balancing, adjusting and institutionalizing conflicting interests. This was the main reason this model has been so popular during the transition from Communism. However, when stability is understood in terms of political effectiveness, semi-presidential arrangement no longer seems as stable. To be
Sure, this arrangement is flexible and there are many patterns the actual political process can follow without any changes in the constitution. The scope of presidential involvement can vary rather widely depending on the political configuration of the parliament. Yet if semi-presidentialism is to be effective, there are two principal patterns it can follow: either the president becomes the (informal) leader of the government or chooses a rather symbolic role leaving the executive to the leadership of the prime minister. In addition, the Constitution must be unambiguous when it comes to the distribution of powers.

The elected President, Rolandas Paksas, seems to have narrowed the range of available options himself by choosing a proactive position. Yet his choice does not necessarily reflect the underlying logic of effective semi-presidentialism even though the effectiveness of the executive was one of the principles of his election campaign. If the President pursues his proactive position consistently, it might lead to the increase in the number of inter-institutional conflicts thus undermining the desired effectiveness. Conflicts might arise both with the government and the Seimas. The former may include the creation of quasi-parallel or even parallel structures that would bypass the government in the contested domains such as foreign policy, the pressure on the individual ministers demanding their “responsibility” as has been defined by the Constitution, or even the creation of a (crisis) situation where the prime minister would have to resign. It would admittedly require some political finesse but even though the Constitution of a premier—presidential type does not make the survival of the government dependent on the will of the president, in practice, semi-presidential arrangement allows the president, by virtue of the personalization of politics, to exercise more powers than are formally allocated.

The new President still has the opportunity to change the image of the institution and the traditions of the presidential involvement in the political process. In addition, the effectiveness of the semi-presidential arrangement depends on the party system and party identification of the president. Neither factor in the current situation is favorable to the effective executive. Party system has been fragmented and while the party identification of the elected President is rather obvious the presidential party does not display a coherent ideology and is politically isolated. However, President Paksas might attempt to use extra-constitutional means to push for the early elections in a hope that the presidential party might capitalize on his personal popularity.

To oversimplify, there are two faces of semi-presidentialism, presidential majority and cohabitation. In the current situation however, either of them is difficult to envisage. Thus we might expect another pattern of inter-institutional relations to emerge — less stable and less effective. When the effectiveness becomes one of the main ambitions of a president with rather limited and
counter-balanced powers, we might not exclude the possibility that his political authority would be devoted to change the rules of the game, i.e. to modify the semi-presidential model itself and to strengthen the role of the president.

NOTES AND REFERENCES


3 This criterion, based on the prevailing political practices rather than the formal properties of the political system, allows the analyst to exclude essentially parliamentary systems such as Iceland or Ireland from the category of semi-presidential political systems. This however does not preclude it from being ambiguous itself or the category of political systems from remaining rather heterogeneous.


9 This process has merited the attention of the entire workshop of the Joint Sessions of the European Consortium for Political Research in Copenhagen in 2000. See http://www.essex.ac.uk/ecpr/events/jointsessions/paperarchive/copenhagen.asp?section=7.


13 See his seminal article: Duverger, M. (1980). A new political system model: Semi-presidential government, European Journal of Political Research 8: 165—187. However, its emphasis on the “alternation” of the two “phases” (p. 186) is also admittedly a source of dissatisfaction with the concept of semi-presidentialism. Several authors claim that during the first phase, the political system essentially functions as presidential while during the


15 Arend Lijphart argues that the governments in the “so-called semi-presidential systems” function in the same way as in the parliamentary political systems (Lijphart, A. (1999). Patterns of democracy: Government forms and performance in thirty-six countries. New Haven and London: Yale University Press: 106). While this assertion is largely true when there is a parliamentary majority, governments in the semi-presidential systems are much more prone to conflicts when the parliament is fragmented. In addition to the “usual” perils of the minority government as experienced by the parliamentary systems, semi-presidential systems might produce conflicts due to the special presidential powers designed to overcome the parliamentary fragmentation or ambiguously distributed residual powers that might in the case of conflict be claimed by either side.

16 See Novagrockienë, J. (2001) Elections to the Seimas 2000: Party system evolution or its transformation? In Lithuanian Political Science Yearbook, 2000 (pp. 138—150). Vilnius University, Institute of International Relations and Political Science. The fragmentation has both formally and informally decreased with the mergers of several mainstream parties and more mergers are expected in the future.

17 See Ainë Ramonaitë’s contribution in this volume.


19 Ibid.: 313.

THE END OF THE LEFT-RIGHT DISCOURSE IN LITHUANIA?
Ainė Ramonaitė

Introduction

The presidential elections of 2002/2003 brought some fundamental changes to Lithuanian political life. It was the first time during the short period of democratic rule in Lithuania that decisive battle for votes did not fit into the left-right dimension. Instead, the distinction between “normal” and “abnormal” politics was introduced into Lithuanian political discourse.

Neither of the two candidates of the second round of the presidential elections had explicit positions on the left-right axis. Rolandas Paksas and Valdas Adamkus were both considered to be more or less of centrist orientation. Paksas began his political career in the rightist Conservatives party and later became the leader of the Liberal Union. In the eve of the presidential elections, however, he left the Liberal Union and created his own party – Liberal Democrats – that did not have any clear ideological orientation. Although liberal attitudes seem to dominate in his team, his populist rhetoric was mainly directed to the traditional voters of Lithuanian left-wing parties.

The former president Adamkus declared his center-right orientation and was consistently supported by the right wing parties, mainly Conservatives and Liberals. Before the second round, however, he was supported by ruling left-oriented Brazauskas coalition. Therefore, the competition in the second round of the presidential elections was between the former president supported by all traditional parties and the “challenger” of the political establishment rather than between left and right candidates, as was in the 1993 and 1998 presidential elections.

The article explores the reasons of the diminishing importance of the left-right schema in Lithuania. It is claimed that the failure of left-right discourse in the last presidential elections is due to enduring trend of the decreasing left-right recognition among Lithuanian voters as well as the purposive attempts to change the main axis of political conflict on the part of some political actors in Lithuania.
The left-right schema recognition in Lithuania

Crucial condition of the left-right applicability in a country is that the electorate is able to recognize the schema and to use it as a means of orientation in a political world. The schema can facilitate communication between voters and parties, first, if the voters are able to place themselves on the left-right scale, second, if the voters are able to place the parties on the left-right scale.

As was shown by Klingemann, in most countries of Western Europe, the recognition of the left-right schema (the ability to place one’s views on the left-right scale) is well above 85 percent. In the new democracies of post-communist countries, lower level of left-right recognition can be expected because of the lack of political knowledge and experience among the electorate. Since the most intensive communication between voters and parties take place during elections, it is reasonable to expect the level of recognition to rise after every election.

Figure 1 shows the level of left-right recognition in Lithuania in 1994 - 2001, measured as the proportion of the respondents able to place their views on the left-right scale. As can be seen from the figure, in 1994 as many as 76.8

![Figure 1. Left-right recognition in Lithuania (percentage of respondents able to place themselves on the left-right scale)]

percent of the respondents were able to place themselves on the left-right scale. The number seems to be fairly high for a four-year-old democracy. It seems to demonstrate that Lithuanian electorate was aware of the left-right schema and able to use it.

The evidence in the figure, however, indicates that the level of left-right recognition in Lithuania is consistently decreasing rather than increasing over time, as could be expected. In 2001 – eleven years after the first free elections in Lithuania – almost half of the respondents were not able to place their views on the left-right scale.

Two explanations of these counter-intuitive data can be suggested. First, the respondents are able to recognize left-right schema but increasingly do not wish to identify themselves on it because the importance of political conflict reflected by the left-right dimension tends to decline. Alternative explanation might be suggested that the ability of Lithuanian electorate to recognize the left-right schema (i.e. to understand the meaning of the schema) tends to diminish because the content of the left-right dimension is changing.

Another important aspect of the left-right recognition – the ability to place the parties on the left-right scale is shown in table 1. In the table, the percentages of respondents able to place the main parties on the left-right scale in 1996 and 1999 are presented. Table 1 reveals that the ability to place the five most important parties in Lithuania – Lithuanian Democratic Labor Party, Homeland Union (Lithuanian Conservatives), Lithuanian Social Democratic Party, Lithuanian Christian Democratic Party and Lithuanian Centre Union – on the left-right scale diminished in 1996–1999. The decline, however, is not

<table>
<thead>
<tr>
<th>Party</th>
<th>1996</th>
<th>1999</th>
</tr>
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<tbody>
<tr>
<td>Lithuanian Democratic Labor Party</td>
<td>72.9</td>
<td>67.5</td>
</tr>
<tr>
<td>Homeland Union (Lithuanian Conservatives)</td>
<td>73.7</td>
<td>66.8</td>
</tr>
<tr>
<td>Lithuanian Social Democratic Party</td>
<td>58.9</td>
<td>56.1</td>
</tr>
<tr>
<td>Lithuanian Christian Democratic Party</td>
<td>65.9</td>
<td>55.6</td>
</tr>
<tr>
<td>Lithuanian Centre Union</td>
<td>62.2</td>
<td>59.5</td>
</tr>
<tr>
<td>New Union (Social Liberals)</td>
<td>–</td>
<td>44.6</td>
</tr>
<tr>
<td>Lithuanian Liberal Union</td>
<td>–</td>
<td>40.6</td>
</tr>
</tbody>
</table>

dramatic. The table also shows that voters are less able to decide about left-right orientations of New Union (Social Liberals) and Lithuanian Liberal Union, that are newcomers in Lithuanian political arena. The data seem to support the claim that the importance and/or the content of the left-right dimension in Lithuania are changing.

**The content of the left-right schema in Lithuania**

Even though the ability of the Lithuanian electorate to differentiate between the political left and right appear to be relatively high, the actual content of the left-right schema in Lithuanian is a matter of discussions among Lithuanian politicians as well as political scientists.

In Western democracies, the content of the left-right dimension was found to be nearly universal. For example, when analyzing the programmatic differences between political parties in Western countries, Laver and Budge find that the left-right scale in all countries comprise four groups of variables: “Capitalist economics”, “State intervention”, “Social conservatism” and “Peace and cooperation”. Using exploratory factor analyses, they found that the variables grouped under the label of “Capitalist economics” and “Social conservatism” load consistently on the right and the variables grouped as “State intervention” and “Peace and cooperation” load on the left. Similar results were found by Budge and Klingemann.

To measure empirically the content of the left-right schema in Lithuania, party manifestos data is used. A data set is generated as a part of Comparative Manifestos Project, which in turn builds on “Manifesto Research Group Project”. The party programs were coded by quasi-sentences on the bases of 56 common issue categories and 52 subcategories for special issues of Eastern European countries. The coding procedures are described extensively by Andrea Volkens.

To test the applicability of the “Western” left-right categories, a two-dimensional model of party competition was created using the categories of Laver and Budge. In the model, X axis reflects the economics left–right dimension and Y axis reflects the dimension of “Social conservatism”. The economic left-right scale was computed by subtracting the sum of percentage references to “State intervention” from the sum of percentage references to “Capitalist economics”. The index of Social conservatism was computed as the sum of references to the categories grouped as “Social conservatism”. The original categories of manifestos data combined into categories of “Capitalist Economics”, “State Intervention” and “Social conservatism” are presented in Table 2.
Policy positions of Lithuanian parties in 1992

Figure 2 presents the positions of five main Lithuanian parties on the economic left-right scale and on the scale of social conservatism in 1992. It is evident from the diagram that in 1992 the main parties in Lithuania were concentrated on the center-right of the economic left-right dimension, except that the small Center Union (LCS) was on far right and Christian Democrats (LKDP) were on center-left. The positions on the dimension of social conservatism were more dispersed. The biggest parties, however, were located on the traditionalist side of the scale.

The general pattern, which the diagram displays, seems to be confusing. The two main rival parties in the Lithuanian political system – the Conservatives (TS(LK)) and post-communist Labor democrats (LDDP) – can not be clearly distinguished on any of the two dimensions. Both are the most conservative on the cultural axis and their stance on the economic left-right is rather close. What seems the most implausible, is that the Conservatives (called “Sąjūdþio Santara”- Sąjūdis Coalition at that time⁹) are located to the left of the Democratic Labor Party which proves to be the rightist party on economic dimension, apart from the Center Union. Moreover, the Conservatives and

Table 2. The content of categories of “State Intervention”, “Capitalist Economics” and “Social conservatism”

<table>
<thead>
<tr>
<th>Laver’s and Budge’s category</th>
<th>Original category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Intervention</strong></td>
<td>403 Regulation of capitalism</td>
</tr>
<tr>
<td></td>
<td>404 Economic planning</td>
</tr>
<tr>
<td></td>
<td>406 Protectionism: positive</td>
</tr>
<tr>
<td></td>
<td>412 Controlled economy</td>
</tr>
<tr>
<td></td>
<td>413 Nationalization</td>
</tr>
<tr>
<td><strong>Capitalist economics</strong></td>
<td>401 Free enterprise</td>
</tr>
<tr>
<td></td>
<td>402 Economic incentives</td>
</tr>
<tr>
<td></td>
<td>407 Protectionism: negative</td>
</tr>
<tr>
<td></td>
<td>414 Economic orthodoxy and efficiency</td>
</tr>
<tr>
<td></td>
<td>505 Social Service limitation</td>
</tr>
<tr>
<td><strong>Social conservatism</strong></td>
<td>203 Constitutionalism: positive</td>
</tr>
<tr>
<td></td>
<td>305 Political authority</td>
</tr>
<tr>
<td></td>
<td>601 National way of life: positive</td>
</tr>
<tr>
<td></td>
<td>603 Traditional morality: positive</td>
</tr>
<tr>
<td></td>
<td>605 Law and order</td>
</tr>
<tr>
<td></td>
<td>606 Social harmony</td>
</tr>
</tbody>
</table>
Social Democrats appear to be practically indistinguishable on the economic scale, and the Center Union is the most rightist.

The diagram seems to suggest several important findings. First, it is evident from the data that in 1992 the economic dimension and the dimension of social conservatism do not reflect the actual conflict structure in Lithuania. Second, the positions of the main parties in Lithuania on the economic left-right dimension are not consistent with their self-identification on the traditional map of party families.

Policy positions of Lithuanian parties in 2000

The spatial presentation of party positions in 2000 on the economic left-right axis and on the social conservatism axis can be seen in Figure 3. The four parties that passed the threshold of 5 percent of votes in multimember districts are included. In addition, Christian Democrats are included, even though they did not pass the threshold, because after their merger with the small Christian Democrat Union, their rating in opinion polls jumped up.

The examination of the diagram shows substantive differences between
policy space in 1992 and 2000. First, the polarization both on the economic scale and on the social conservatism index radically diminished. Second, relative positions of the parties on the economic left-right scale and on the dimension of social conservatism seem to be consistent with the self-identification of the parties in terms of party families, except that the Christian Democrats seem to be too far on the left on the economic left-right axis. Third, the spatial model of party positions in 2000 reflects the actual competitive space of the Lithuanian parties much better than the model of 1992. For example, it can explain and justify the current governing coalition of Social Democrats and the New Union (NS) since the two parties seem to be very close to one another on both dimensions, as well as short-lived coalition of the New Union and the Liberals (LLS) in 2000. Likewise, it validates the increasing cooperation between the Liberals and the Conservatives as well as the alienation of Christian Democrats from the Conservatives and other “core” parties.

The model, however, fails to explain the traditional clash between the Social Democrats (former Labor Democrats) and the Conservatives. As can be seen from Table 2, these two parties, as viewed by the public, are consistently placed on the opposite poles of the left-right axis. Their positions on the
The end of the left-right discourse in Lithuania?

Table 2. Public placement of parties on 1 to 9 left-right scale in 1996 and 1999

<table>
<thead>
<tr>
<th>Party</th>
<th>1996</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDDP</td>
<td>1.6</td>
<td>3.1</td>
</tr>
<tr>
<td>NS</td>
<td>-</td>
<td>4.3</td>
</tr>
<tr>
<td>LSDP</td>
<td>4.3</td>
<td>4.5</td>
</tr>
<tr>
<td>LLS</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>LCS</td>
<td>5.5</td>
<td>5</td>
</tr>
<tr>
<td>LKDP</td>
<td>7.7</td>
<td>6.6</td>
</tr>
<tr>
<td>TS(LK)</td>
<td>8.2</td>
<td>7.2</td>
</tr>
</tbody>
</table>


Table 2. Public placement of parties on 1 to 9 left-right scale in 1996 and 1999

<table>
<thead>
<tr>
<th>Party</th>
<th>1996</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDDP</td>
<td>1.6</td>
<td>3.1</td>
</tr>
<tr>
<td>NS</td>
<td>-</td>
<td>4.3</td>
</tr>
<tr>
<td>LSDP</td>
<td>4.3</td>
<td>4.5</td>
</tr>
<tr>
<td>LLS</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>LCS</td>
<td>5.5</td>
<td>5</td>
</tr>
<tr>
<td>LKDP</td>
<td>7.7</td>
<td>6.6</td>
</tr>
<tr>
<td>TS(LK)</td>
<td>8.2</td>
<td>7.2</td>
</tr>
</tbody>
</table>

economic left-right dimension and on the scale of social conservatism are relatively close, however. This seems to suggest that these two dimensions do not reflect the content of the left-right schema in Lithuania.

Pro-soviet – anti-soviet cleavage in Lithuania

The political cleavage between the Social Democrats and the Conservatives can be explained by referring to the historical development of the party system in Lithuania (see the diagram of the historical development of parties in the appendix 2). The evolution of the multi-party system in Lithuania started from the confrontation between the Communist Party and the broad opposition movement “Sąjūdis”. The Democratic Labor Party, originating in 1990, is the direct successor of the Communist Party while the Conservative Party is conventionally accepted as the successor of the Sąjūdis. It appears that these two parties have inherited not only the organization and the leaders from their predecessors but also the identity. At least until the 2000 elections the Lithuanian party system was structured mainly by the confrontation between the two parties.

The confrontation between LDDP and Sąjūdis started from the issue of independence in 1988-1989 and later evolved into a broader question about the proper speed of dismantling the communist regime. The leaders of the Sąjūdis were in favor of rapid political and economic reforms while the Communist Party propagated a moderate step-by-step reform policy. After the declaration of independence, the conflict of the two rival political forces
focused on the question of desovietisation and the geopolitical orientation (Western versus Eastern) of Lithuania. In 1998-2000 the East-West cleavage evolved into the question of military expenditures: anti-Russian and pro-NATO parties advocated for the augmentation of military expenditures whereas pro-Russian parties propagated pacifistic ideas, arguing that Russia did not pose any threat to Lithuania.

This longstanding confrontation between the former Communist Party and the “Sąjūdis” can be seen as a political expression of the so-called communist–anti-communist cleavage, which has deep social roots in Lithuania as well as in other post-communist countries. To measure empirically the importance of this cleavage and its relation to the left-right schema in Lithuania, the “anti-soviet orientation” scale was created. The scale was made up by subtracting the sum of pro-soviet orientation categories from the sum of anti-soviet orientation categories. Table 3 presents the list of categories that were grouped together as “anti-soviet” or pro-soviet” on a priori grounds.

The “anti-soviet” orientation category includes favorable mentions of the independence of Lithuania, favorable references to Western states and the European Community, references to civic rehabilitation of and moral compensation for persecuted people in the communist era, favorable mentions to restitution of property of previous owners and compensations concerning communist expropriations, the need to maintain or increase military expenditures, the need to withdraw Russian army from the territory of Lithuania, negative references to Russia, the USSR and CIS and disposition against

Table 3. The content of “pro-soviet” and “anti-soviet” orientation categories

<table>
<thead>
<tr>
<th>New category</th>
<th>Original category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-soviet orientation</td>
<td>104 Military: positive</td>
</tr>
<tr>
<td></td>
<td>108 European Community: positive</td>
</tr>
<tr>
<td></td>
<td>1012 Western States: positive</td>
</tr>
<tr>
<td></td>
<td>1021 Russia/USSR/CIS: negative</td>
</tr>
<tr>
<td></td>
<td>1031 Russian Army: negative</td>
</tr>
<tr>
<td></td>
<td>1032 Independence: positive</td>
</tr>
<tr>
<td></td>
<td>3053 Communist: negative</td>
</tr>
<tr>
<td></td>
<td>3054 Rehabilitation and compensation</td>
</tr>
<tr>
<td></td>
<td>4013 Property restitution: positive</td>
</tr>
<tr>
<td>Pro-soviet orientation</td>
<td>105 Military: negative</td>
</tr>
<tr>
<td></td>
<td>1011 Russia/USSR/CIS: positive</td>
</tr>
<tr>
<td></td>
<td>3052 Communist: positive</td>
</tr>
</tbody>
</table>
Table 4. Congruence of left-right position of parties as rated by the public and as measured by “anti-soviet orientation” index in 1996 and 2000

<table>
<thead>
<tr>
<th>Party</th>
<th>1996 Public evaluation on 1 to 9 left-right scale</th>
<th>1996 Anti-soviet orientation score</th>
<th>2000 Public evaluation (1999) on 1 to 9 left-right scale</th>
<th>2000 Anti-soviet orientation score</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDDP</td>
<td>1,6</td>
<td>2,93</td>
<td>3,1</td>
<td>1,55</td>
</tr>
<tr>
<td>LSDP</td>
<td>4,3</td>
<td>4,09</td>
<td>4,5</td>
<td></td>
</tr>
<tr>
<td>LCS</td>
<td>5,5</td>
<td>3,31</td>
<td>5</td>
<td>4,3</td>
</tr>
<tr>
<td>LKDP</td>
<td>7,7</td>
<td>11,11</td>
<td>6,6</td>
<td>9,97</td>
</tr>
<tr>
<td>TS(LK)</td>
<td>8,2</td>
<td>14,64</td>
<td>7,2</td>
<td>14,98</td>
</tr>
<tr>
<td>LLS</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5,41</td>
</tr>
<tr>
<td>NS</td>
<td>-</td>
<td>-</td>
<td>4,3</td>
<td>1,65</td>
</tr>
<tr>
<td>Correlation</td>
<td>0,858</td>
<td></td>
<td>0,935</td>
<td></td>
</tr>
</tbody>
</table>

communist involvement in democratic government. The “pro-soviet” orientation category, in turn, consists of favorable mentions of decreasing military expenditures, positive attitudes towards former communists’ involvement in the transition process and favorable mentions of Russia and the USSR.

As can be seen from Table 4, positions of the main Lithuanian parties on the “anti-soviet orientation” scale to a full extent mirror the “actual” left-right distribution of parties on the left-right scale, as measured by public opinion surveys. The correlation between the scores is 0.86 in 1996 and 0.94 in 2000. As expected, Social Democrats (or Labor Democrats in 1996) are the least anti-soviet and Conservatives are the most anti-soviet in 1996 as well as in 2000.

Changing pattern of party competition in Lithuania

Even though the party positions on the pro-soviet – anti-soviet scale seem to be relatively stable, the importance of this conflict is slowly declining. First, the political cleavage itself can be characterized as transitional since such issues as independence, withdrawal of the Russian army or desovietisation are gradually losing their relevance. Second, the social roots of “communist – anti-communist” cleavage are weakened since the social structure in post-communist countries was substantially transformed by the rapid socio-economic change. Third, some parties, especially Liberal Union and Social Democrats have been making substantive attempts to change the main axis of party competition in Lithuania in accordance with Western pattern. Finally, the public discourse is dominated
by the “Western” understanding of political left-right schema while the traditional Lithuanian meaning of the left and right is usually regarded as outdated.

As can be seen from Figure 4, policy space in 2000 is still dominated by the pro-soviet – anti-soviet cleavage but the socio-economic dimension is gaining ground and the left-right axis in current Lithuanian political system could be best interpreted as comprising both the pro-soviet – anti-soviet dimension and the socio-economic dimension.

Given the natural tendencies of the diminishing importance and changing content of the left-right schema in Lithuania, why did this schema finally lose its communicative function in the last presidential elections? It appears that this gradual erosion process was stimulated not only by Rolandas Paksas, who made attempts to change the traditional political map in Lithuania, but also by former President Adamkus.

In 1997/1998 presidential elections Adamkus ran as a nonparty candidate supported by the Lithuanian Center Union. The Center Union as well as the nonpartisan team of Adamkus were trying to present a liberal political program

Figure 4. Party positions on the economic left-right scale and on the anti-soviet scale in 2000
cutting across the traditional polarization between the anti-communist and mildly nationalist right and ex-communist left. Even though Adamkus' position was ideologically well-founded, the liberal – anti-liberal political dimension appeared to be irrelevant in Lithuania. In 1998 Adamkus won in the second round of the presidential elections as a center-right candidate rather than an advocate of liberalism.

In 2002/2003 presidential elections, however, Adamkus was reluctant to take an explicit right-of-center position and in the second round of elections received support from the leftist Social Democratic Party. Thereby he defeated the attempts of Conservatives and the Liberal Union to maintain the left-right opposition in the decisive battle for the office of the president. As Saulius Žukas, one of the members of Adamkus team, explained in his interview: “There is no more polarization between left and right [in these elections]. This is a big achievement.”

Conclusions

The last presidential elections were the first elections in post-soviet Lithuania were the left-right schema could not help voters to make their decision. As was shown in the article, the left-right schema in Lithuania seems to express transitional communist – anti-communist cleavage, therefore the importance and political relevance of the schema is gradually declining. Moreover, the content of the left-right schema is being purposively transformed by the media as well as political actors for different ideological and strategic reasons.

This process has apparent negative implications for traditional political actors as well as for the Lithuanian political system as a whole. First, the turnout in the second round of the presidential elections was only 52.6 percent, which is the lowest result in the history of presidential elections in Lithuania. As was argued by Fuchs and Klingemann, if the left-right schema is not working as a generalized medium of communication, citizens find it hard to orient themselves in the complex political world. As a consequence, their motivation to vote might be reduced.

Second, the political competition during the last presidential elections was heavily dependent on electoral technologies and influenced by non-political criteria, such as age or appearance, rather than the policy positions and electoral programs of the candidates. Such a style of electoral struggle that has gained ground in the last presidential elections can be seen as a direct consequence of the destruction of the traditional political space in Lithuania.

Finally, the electoral victory of the “challenger” of the traditional political parties proved that such a transformation of the party competition pattern is
not beneficial for the traditional political actors and constitutes a potential threat to the political stability of the country. If Lithuanian political actors are not able to transform the dimension of the political conflict so that it is not only ideologically meaningful but also politically relevant, and to restore the left-right discourse, the democratic political process in Lithuania might become the arena of complex but meaningless electoral games.

NOTES AND REFERENCES


6 Data from Comparative Manifestos Project “Eastern European Political Parties: Programmatic Profiles of Elections Programs, Dataset EEP2002, H.-D.Klingemann (Principal Investigator), Andrea Volkens (Data Documentation). I am grateful to Professor H.-D.Klingemann for the permission to use the data.


8 The category “Peace and cooperation” was not included because it is nearly empty in Lithuania. For the categories of Laver and Budge see Laver, M.J. and Budge, I. “Measuring Policy Distances and Modeling Coalition Formation”. In M. Laver and I.Budge (eds.) Party Policy and Government Coalitions. (Houndmills: St.Martin’s Press, 1992), pp. 15-40.

9 Here and in other diagrams changes of party names are disregarded.

10 The names and acronyms of the parties are presented in the Appendix 1.

11 Lithuanian Center Union did not pass the threshold; Democratic Labor Party and Social Democrats ran as Brazauskas coalition. The two parties merged after the elections and the joint party was labeled Lithuanian Social Democratic Party (LSDP), therefore the acronym LSDP is used for Brazauskas coalition in 2000.


Socio-Politique des Pays d’Europe Centrale et Orientale and Le Centre d’Etude de la Vie Politique, Brussels, 9-10 May 2003.


APPENDIX 1. Acronyms and names of parties

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Name (Language)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TS(LK)</td>
<td>Homeland Union (Lithuanian conservatives)*</td>
</tr>
<tr>
<td></td>
<td>Tėvynės sąjunga (Lietuvos konservatoriai)</td>
</tr>
<tr>
<td>LDDP</td>
<td>Lithuanian Democratic Labour Party</td>
</tr>
<tr>
<td></td>
<td>Lietuvos demokratinė darbo partija</td>
</tr>
<tr>
<td>LKDP</td>
<td>Lithuanian Christian Democratic Party**</td>
</tr>
<tr>
<td></td>
<td>Lietuvos krikščionių demokratų partija</td>
</tr>
<tr>
<td>LSDP</td>
<td>Lithuanian Social Democratic Party</td>
</tr>
<tr>
<td></td>
<td>Lietuvos socialdemokratų partija</td>
</tr>
<tr>
<td>LCS</td>
<td>Lithuanian Centre Union***</td>
</tr>
<tr>
<td></td>
<td>Lietuvos centro sąjunga</td>
</tr>
<tr>
<td>LLS</td>
<td>Lithuanian Liberal Union***</td>
</tr>
<tr>
<td></td>
<td>Lietuvos liberalų sąjunga</td>
</tr>
<tr>
<td>NS</td>
<td>New Union (Social Liberals)</td>
</tr>
<tr>
<td></td>
<td>Naujoji sąjunga (socialliberalai)</td>
</tr>
</tbody>
</table>

Notes:

* During the recent congress the Homeland Union (Lithuanian Conservatives) merged with the Union of Political Prisoners and Deportees and changed the name to Homeland Union (“Tėvynės sąjunga”).

** After the merge of the Lithuanian Christian Democratic Party and Christian Democratic Union, the new party was called Lithuanian Christian Democrats.

*** On May 31, 2003 Lithuanian Liberal Union, Lithuanian Center Union and Union of Modern Christian Democrats merged into Liberal and Center Union (Liberalų ir centro sąjunga).
APPENDIX 2. Diagram of party development in Lithuania

1990
LKP
Lithuanian Communist Party

1996
LDDP
LSDP
LCS
LKDP
TS(LK)

2002
LSDP
NS-soclib
LCS
LLS
LKD
TS(LK)

Sąjūdis
Lithuanian reform movement

The end of the left-right discourse in Lithuania?
Introduction

The elections that took place on 22 December 2002 resulted in the election of 1,560 members of the local government councils. Pursuant to the decision made by the ruling parties with the support of other parties, the elections to the Office of the President of the Republic and those to the local government councils were held on the same day. That is why, perhaps, the electoral campaign looked like a “subordinate action”. It certainly does not mean a questioning of “the only game in town”, i.e. doubting the principles of democracy. Nevertheless, this could be regarded as the parties’ efforts to use dubious means to influence voters before the elections.

The elections even to a greater extent highlighted the processes in the Lithuanian party system which started in the aftermath of the 2000 municipal and Seimas elections, and seem to have been continuing since. The results achieved by the parties enable to state that voter preferences are quite highly changeable - voters are still enthusiastically “searching for” new parties to justify their confidence. Most probably, these elections are also likely to confirm the assertion that the fragmentation of the party system remains well pronounced or even increasing. All this creates a most favourable party system context for the parties to engage in coalitional cooperation.

The elections concerned showed an unprecedented participation of Seimas members (84), and quite a considerable number (64) of them were elected to local government councils. It is understandable that parties, in their attempt to gain recognition in the society, used all the means possible to increase their popularity in the society. It is obvious that the “sitting on two chairs” – in the Seimas and in some local government council – was a deeply rooted habitual disease in our political culture. Such practice could be eradicated only by radical means. Right after the elections, on 24 December 2002, that was done by the
Constitutional Court by way of pointing to the fact that “the Constitution excluded the principle of double mandate”, thus Seimas members should avoid seeking an additional mandate of a municipal council member.

All these issues – in this case those are serious systemic ones – are expected to be rectified after the latest elections. However, such radical changes cannot avoid giving rise to equally essential consequences. This is confirmed by heated and diverse discussions over the abovementioned decision of the Constitutional Court. Besides, these discussions can also serve for an assessment of our elite's political consciousness and the democracy consolidation level.

The present article consists of three main parts. The first part offers statistical data about the participation of the parties in the municipal elections of the period between 1995 and 2002; the second part presents a survey of the changes that took place in the Lithuanian party system in the period from 2000 to 2002. An attempt is also being made there to assess whether the main predictions expressed after the 2000 municipal and Seimas elections came true; the processes involved in the formation of the local government, insofar, essentially, as this is connected with the party coalition-related cooperation in the elections of the mayors, are analysed in the third part.

I. Four Elections to the Local Government Councils: Participation of Political Parties and Their Results (Comparative Statistics)

Since 1995, when political parties were granted the exclusive right to participate at the elections and form the local government, four elections to municipal councils have already been held. Within this period, the regulations governing the participation of political parties in municipal elections were established, traditions of party democracy were taking shape, the dominance of some political parties became evident, etc. The following statistical data reflect the participation of political parties in the elections to local government councils in the period between 1995 and 2002 and the results achieved.

In the municipal elections held on 22 December 2002, 10,316 candidates were competing for 1,560 mandates, or in other words – there were 6.6 candidates to one seat. Thus, the number of candidates who participate in the elections to local government councils is further increasing: in 1995 there were 7,245 candidates nominated, or 4.9 candidates to one seat (candidates were competing for 1,488 mandates); in 1997 6,276 candidates were nominated, or 4.2 candidates to one seat (1,562 mandates).

Out of the 36 political parties registered in Lithuania, there have participated in elections (presented separate lists of party candidates) 25 parties (there also participated 12 coalitions); in 1995, out of 19 registered political parties, 17
participated at the elections; in 1997 – 24 parties out of 33; in 2000 – out of 37 registered parties participated 28. Thus, it is possible to conclude that the number of parties participating in the elections to the local government councils in the recent years has more or less stabilised. It could be said that the participation of parties in the municipal elections does not differ from their participation in the elections to the Seimas. It could be presumed that at least in the nearest future, there will be approximately from 20 to 25 parties trying their luck at the elections of any level held in Lithuania.

Out of the 25 parties participating in the elections, 23 parties have taken part in the distribution of mandates: in 1995 m. only one party (LGP) did not participate in the distribution of mandates; in 1997 – 19 parties out of 24 participated in the distribution of mandates; in 2000 – such were 24 parties out of 28. Thus, in recent years there have approximately been 20 parties participating in the distribution of mandates of the local government councils. True, the number of political parties which get more than 5 per cent of the mandates is considerably lower.

This time not a single party presented its candidate lists in all (60) constituencies: in 59 constituencies, candidates were nominated by LSDP and NU/SL, while LCHD nominated its candidates in 54 constituencies, UFPNDP in 53, LCU in 52, HU/LC and LDP in 51, LLU in 46 constituencies; in the 1995 elections to local government councils in all (56) constituencies party lists were presented by only two parties - LDLP and HU/LC, LCHDP presented its lists in 55 constituencies, LSDP - 44, LFP - 43, LNU - in 42 constituencies; in 1997 m. in all (56) constituencies lists were presented by HU/LC, LDLP and LSDP (LCHDP presented its lists in 54, LCU in 42 constituencies); in 2000 5 parties presented their lists in all constituencies: LDLP, LCU, LLU, NU/SL and HU/LC (LSDP presented its lists in 58, LCHDP in 57 and LFP in 49 constituencies). Thus, it is evident that in recent years there were only from 6 to 8 political parties capable of presenting their lists of candidates in the majority (more than 60) constituencies.7

In these elections, as before, about a dozen parties nominated their candidate lists in not more than 3 constituencies. Such parties include YLNNU, LNU, LSUTL, LPJ, LFLP, PPRA, RP; in 1995 those were LLU, LGP, LIPJL; in 1997 - LLU, PNP, LPLL, LRP, URL; in 2000 the parties were LLU, PNP, LSP, URL, LFL, LCA. Thus, in each of the municipal elections held in recent years, there were from 5 to 7 parties which sought political power in just one or another constituency, but had almost no influence nationwide.

In 2002 elections to local government councils, voters were the most favourably inclined towards LSDP, which got 332 mandates; HU/LC obtained 193 mandates, UFPNDP - 190, LLU - 160, LCU - 156, NU/SL - 138, LDP
- 129, and LCHD - 116 mandates. These 8 parties collected as many as 1,414 or 90.6 per cent of all mandates; the remaining 14 parties received only 146 mandates (9.4 per cent). It is worth reminding that a similar situation had already happened before: thus in 1995 elections, HU/LC, LDLP, LCHDP, LFP, LCU, and LSDP taken together got 1,222 mandates (82.1 per cent); in 1997 HU/LC, LDLP, LCHDP, LSDP, LCU received 1,156 mandates (77.8 per cent); in 2000 NU/SL, LFP, HU/LC, LCU, LDLP, LLU, LSDP and LCHDP got 1,392 mandates (89.1 per cent of all mandates).

It could be stated that the 2002 elections reaffirmed the tendency which surfaced in 2000, where the 8 most influential parties divided among themselves the bulk of the mandates (about 90 per cent). Bearing in mind that after the 1995 and 1997 elections to the local government councils the greatest portion of the mandates were divided between 5 or 6 political parties, it is possible to state that the outcome of the 2000 and 2002 elections to the local government councils confirmed the general tendency - namely, the continuous increase in the fragmentation of the party system. This is also validated by the fact that there has increased the number of politically influential parties on the level of municipalities which divide among themselves the absolute majority of mandates (see Table 1).

The data presented in the table indicate that, firstly, almost 40 parties put their power to test in the 1995–2002 elections to the local government councils; secondly, after each of the elections concerned, the greatest share of the mandates (almost 90 per cent) were divided among 6 to 8 political parties; thirdly, the elections to local government councils were dominated by the “old” - created before 1995 - parties, with only just a few of the “new” parties managing to enter the group of parties-leaders in the municipal elections (NU/SL in 2000 and LDLP in 2002). Thus, even though it would seem that the newly established parties ought to find it much easier to “squeeze” into the local government councils than into the parliament, it actually is not so easy to accomplish. Could this, perhaps, be a certain indicator of the party system stabilisation?

II. Lithuanian Political Parties And Party System, 2000-2002: Changes and Their Consequences

1. The 2000 municipal and parliamentary elections: changes in the party system of Lithuania

The outcome of the elections 2002 can also be interpreted as an answer to the questions posed by the 2000 municipal and parliamentary elections. In summary - those are the questions related with the changes in the party system as determined by the results achieved by the political parties, as well as their rapidly changing influence over the electorate.
Table 1. Results achieved (distribution of mandates) by political parties in the last four elections to local government councils

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1. LSDP</td>
<td>72 (4.8)</td>
<td>136 (9.16)</td>
<td>104 (6.6)</td>
<td>332 (21.28)*</td>
<td>+56</td>
</tr>
<tr>
<td>2. HU/LC</td>
<td>428 (28.76)</td>
<td>493 (33.2)</td>
<td>199 (12.7)</td>
<td>193 (12.37)</td>
<td>- 6</td>
</tr>
<tr>
<td>3. UFPN D P (LFP)</td>
<td>104 (7.0)</td>
<td>84 (5.6)</td>
<td>209 (13.38)</td>
<td>190 (12.18)*</td>
<td>- 29</td>
</tr>
<tr>
<td>4. LLU</td>
<td>40 (2.69)</td>
<td>54 (3.6)</td>
<td>166 (10.6)</td>
<td>160 (10.26)</td>
<td>- 6</td>
</tr>
<tr>
<td>5. LCU</td>
<td>74 (4.97)</td>
<td>135 (9.09)</td>
<td>173 (11.07)</td>
<td>156 (10.00)</td>
<td>- 17</td>
</tr>
<tr>
<td>6. N U/SL</td>
<td>-</td>
<td>-</td>
<td>270 (17.28)</td>
<td>138 (8.85)</td>
<td>- 132</td>
</tr>
<tr>
<td>7. LDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>129 (8.27)</td>
<td>-</td>
</tr>
<tr>
<td>8. LCH D (LCH D P)</td>
<td>247 (16.6)</td>
<td>180 (12.1)</td>
<td>99 (6.3)</td>
<td>116 (7.44)*</td>
<td>+ 1</td>
</tr>
<tr>
<td>9. LPEA</td>
<td>69 (4.6)</td>
<td>56 (3.7)</td>
<td>53 (3.39)</td>
<td>50 (3.21)</td>
<td>- 3</td>
</tr>
<tr>
<td>10. LUPPD</td>
<td>56 (3.7)</td>
<td>20 (1.34)</td>
<td>27 (1.7)</td>
<td>24 (1.54)</td>
<td>- 3</td>
</tr>
<tr>
<td>11. MCU</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16 (1.03)</td>
<td>-</td>
</tr>
<tr>
<td>12. LNU</td>
<td>49 (3.2)</td>
<td>23 (1.5)</td>
<td>13 (0.8)</td>
<td>11 (0.71)</td>
<td>- 2</td>
</tr>
<tr>
<td>13. URL</td>
<td>-</td>
<td>7 (0.47)</td>
<td>7 (0.44)</td>
<td>11 (0.71)</td>
<td>+ 4</td>
</tr>
<tr>
<td>14. M CH D U</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9 (0.58)</td>
<td>-</td>
</tr>
<tr>
<td>15. Freedom Union</td>
<td>6 (0.4)</td>
<td>6 (0.4)</td>
<td>15 (0.96)</td>
<td>5 (0.32)</td>
<td>- 10</td>
</tr>
<tr>
<td>16. LND P</td>
<td>-</td>
<td>-</td>
<td>2 (0.12)</td>
<td>5 (0.32)</td>
<td>+ 3</td>
</tr>
<tr>
<td>17. LLP/LSUT L</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>3 (0.19)</td>
<td>+ 3</td>
</tr>
<tr>
<td>18. PNP</td>
<td>14 (0.9)</td>
<td>3 (0.2)</td>
<td>1 (0.06)</td>
<td>3 (0.19)</td>
<td>+ 2</td>
</tr>
<tr>
<td>19. PPRA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 (0.19)</td>
<td>-</td>
</tr>
<tr>
<td>20. LIPJL/YLNN U</td>
<td>16 (1.08)</td>
<td>9 (0.6)</td>
<td>6 (0.38)</td>
<td>2 (0.13)</td>
<td>- 4</td>
</tr>
<tr>
<td>21. LRU</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2 (0.13)</td>
<td>-</td>
</tr>
<tr>
<td>22. SD 2000</td>
<td>-</td>
<td>-</td>
<td>2 (0.12)</td>
<td>1 (0.06)</td>
<td>- 1</td>
</tr>
<tr>
<td>23. LFLP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 (0.06)</td>
<td>-</td>
</tr>
<tr>
<td>24. RP</td>
<td>5 (0.34)</td>
<td>Did not participate</td>
<td>1 (0.06)</td>
<td>0</td>
<td>- 1</td>
</tr>
<tr>
<td>25. LPJ</td>
<td>-</td>
<td>Did not participate</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>26. LCA</td>
<td>-</td>
<td>20 (1.34)</td>
<td>3 (0.19)</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>27. LPE</td>
<td>-</td>
<td>5 (0.33)</td>
<td>0</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>28. LSP</td>
<td>-</td>
<td>Did not participate</td>
<td>0</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>29. LRP</td>
<td>-</td>
<td>0</td>
<td>Did not participate</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>30. LPLL</td>
<td>-</td>
<td>0</td>
<td>Did not participate</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>31. LGP</td>
<td>0</td>
<td>Did not participate</td>
<td>Did not participate</td>
<td>Did not participate</td>
<td>-</td>
</tr>
<tr>
<td>32. LDLP</td>
<td>297 (16.9)</td>
<td>212 (14.28)</td>
<td>172 (11.01)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>33. CH DU</td>
<td>-</td>
<td>5 (0.33)</td>
<td>16 (1.02)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>34. ND WP (LMP)</td>
<td>-</td>
<td>14 (0.9)</td>
<td>10 (0.64)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>35. LDP</td>
<td>9 (0.6)</td>
<td>7 (0.47)</td>
<td>9 (0.57)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>36. LFL</td>
<td>-</td>
<td>Did not participate</td>
<td>4 (0.25)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>37. HPP</td>
<td>-</td>
<td>-</td>
<td>1 (0.06)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>38. IP</td>
<td>2 (0.1)</td>
<td>0</td>
<td>Did not participate</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Mandates received by the following parties in the 2000 elections were counted together: LSDP and LDLP, LFP and ND WP, LCHDP and CHDU.
The results of the 2000 elections to the local government councils, and especially those of the elections to the Seimas, gave rise to presumptions that serious developments or changes were starting in the Lithuanian party system formed in the period between 1990 and 2000. These developments in the party system were described by the following categories of its change: (a) short-term fluctuations; (b) limited change; (c) total change; (d) transformation. Short-term fluctuations are characterised by the appearance of one or another feature in the party system, which can disappear within a short time; limited change may be of a long duration, though without any consequence to the format of the party system itself; total change occurs when a number of changes start at the same time and evolve over a very long period, thus creating instability; transformation is possible under extreme conditions upon the change of regime when, for instance, a multi-party system turns into a one-party system, etc. 10

It ought to be reminded that until then the Lithuanian multi-party system had been characterised by two tendencies: decrease of polarisation and increase of fragmentation. Fragmentation encouraged the volatility of voting, i.e. indecisiveness of the electorate and vacillation from one party to another. These tendencies became especially evident in the 2000 both municipal and parliamentary elections. They also reaffirmed the increasing fragility of public support for political parties, lack of confidence and disappointment (this had to be expected sooner or later, as the process of new institutions “taking root” in the political system is quite complicated, there is also reason for concern over the “too slowly improving” socio-economic situation, unstable political values of the society, etc.).

The 2000 elections were evaluated as “critical”. It means that there was a change in the balance of political parties’ alignment mainly conditioned by the shifts in the voter support for the political parties. Voters, in their attempt to find alternatives for the “Big Five” – the parties (LDLP, LSDP, LCU, LCHDP, HU/LC) formed in the 1990-1996 period, promoted new powers – LLU and NU/SL – to the political arena. Popular dissatisfaction with the “old” parties had already surfaced in the 2000 municipal elections, and in the elections to the Seimas their activity received an especially critical evaluation: in comparison with the 1996 Seimas elections, HU/LC lost 21.17 per cent, LCHDP – 6.84 per cent and LCU – 5.38 per cent of votes (the latter two even failed to overcome the 5 per cent “threshold”). Meanwhile the “new” parties NU/SL and LLU enjoyed the voters’ support and received respectively 15.93 and 12.51 per cent of votes in the elections to the local government councils, and 19.64 per cent and 17.25 per cent in the elections to the Seimas.

The outcome of the Seimas elections also confirmed the allegation about the continuously increasing fragmentation of the party system. Of great effect
was the abolition of the second round to the Seimas election, which facilitated to the “leak” of representatives of the small parties into the parliament. At the same time, favourable conditions for the party consensus or coalitional policy were created. As a consequence of the election results, there occurred a change in the character of party competition in the party system: the two long-standing - left and right - blocks (quite often not only competing, but conflicting as well) were destroyed, and a considerable block of more moderate political forces (lead by NU/SL and LLU) was formed, which alleviated the adversity of parties.

Thus the fundamental changes in the Lithuanian party system (or to be more precise - the rudiments of system change) after the 2000 elections could be described as follows:

- first, the election results revealed the beginning (quite indefinite in terms of time) of a particular period of uncertainty and instability in the party system;
- second, as a result of the radical change in the voter preferences, the party system was revised by dismantling the traditional “Big Five” (LDLP, LSDP, LCU, LCHDP, HU/LC) and awarding the voters’ “mandate of confidence” to the new parties (NU/SL and LLU);
- third, after the elections to the Seimas, such features of the party system as voter volatility and fragmentation became more pronounced; the number of politically influential (relevant) parties also increased (according to some sources, from approximately 3.1 in 1996 to 3.9 in 2000);
- fourth, the most favourable conditions so far were created for party cooperation, consensus-based relationships and coalitional policy of the parties.

On account of all this, it is possible to state that the features of limited change became apparent in the Lithuanian party system under formation in 2000–2002. Their essence was the increasing voter volatility, the growing party system fragmentation, and the emergence of the “new” politically influential parties to replace the “old” parties. There is no doubt that the determination and evaluation of the abovementioned changes, which appeared in the Lithuanian party system in the wake of the 2000 elections, needs time and, apparently, at least two or three subsequent elections. The 2002 elections to the local government councils are precisely of this kind, besides, they were held in the “midway” of the Seimas term of office. Therefore, their analysis is of substance at least in three aspects: first, it is possible to make at least a preliminary definition whether the election results confirm or reject the hypotheses raised after the 2000 elections; second, it is possible to try assessing the probability of the changes in the party interrelations and their regrouping; third, it could also
be possible to try evaluating the coalition potential of the parties pending the 2004 Seimas elections.

2. Do the results of the 2002 elections confirm the hypotheses concerning the party system change?

Upon comparing the results of the elections to local government councils of 2000 and 2002, it is evident that most of the major parties (LSDP, LLU, HU/LC, LCU, LCHD) were able to retain or even expand their electorates. The greatest failure in the elections of 2002 was experienced by the NU/SL, which lost more than a half of its electorate; the UFPNDP also lost some votes. The greatest impact on the fluctuation of voters' preferences was, undoubtedly, made by the LDP (see Table 2). In these elections, though, there was no such redistribution of voters as it was evident in 2000. Therefore, it could be concluded that the volatility of voting (especially high after the 2000 Seimas elections) became slightly more stabilised.

However, if the results achieved by the parties were evaluated within a shorter perspective - from 2000 Seimas elections until the latest elections to local government councils - it becomes evident that the fluctuations of the electorate and party losses are considerably more pronounced (though, in this case there is also a greater difference in the general voter turnout). These negative tendencies ought to cause the most concern to the left centre parties - the winners of the elections to local government councils LSDP and NU/SL (the

<table>
<thead>
<tr>
<th>Table 2. Change in the distribution of votes, 2000–2002</th>
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<tbody>
<tr>
<td><strong>Party</strong></td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>1. LSDP *</td>
</tr>
<tr>
<td>2. LLU</td>
</tr>
<tr>
<td>3. HU/LC</td>
</tr>
<tr>
<td>4. LCU</td>
</tr>
<tr>
<td>5. UFPNDP</td>
</tr>
<tr>
<td>6. LDP</td>
</tr>
<tr>
<td>7. NU/SL</td>
</tr>
<tr>
<td>8. LCHD **</td>
</tr>
</tbody>
</table>

* Votes received by LSDP and LDLP in the 2000 elections to local government councils are counted together;
** Votes received by LCHDP and CHDU in the 2000 elections to Seimas and local government councils (as concerns the CHDU, in the latter case only the lists presented and the votes received by them individually (not in the coalition with LFP) are counted together.
results achieved by UFPNDP in the parliamentary and municipal election as a rule are noticeably different. It is also increasingly evident that after the failure in the Seimas elections, the right centre parties (LCU, LCHDP, HU/LC) are trying to win back their relinquished positions with some, if only partial, success.

Not unlike the previous elections, this time also the bulk of votes was collected by several main parties: the latest municipal elections are the third elections in succession where almost 80 per cent of votes were divided between a few election favourites. There were eight of such parties in the elections to local government councils of 2000 and 2002, where, the same as before, one party from among them was an obvious leader (NU/SL in 2000, and LSDP in 2002). In both these elections only three parties collected over 10 per cent of votes, though in the latest elections, the leading three parties got slightly more votes – 41.59 per cent – from the general turnout (in 2000 - 39.73 per cent). In the latest elections there were a greater number of parties – as many as 5 (LCU, UFPNDP, LDP, NU/SL and LCHD) that collected from 5 to 10 per cent of votes, while in 2000 there were only 2 such parties (this confirms the assumption about the increasing party system fragmentation).

Based on the results of the latest elections, however, it is hardly possible to state that in the period between 2000 and 2002, the “old” parties failed to withstand the competition of the “new” parties, and the “Big Five” (to be more precise, the “Big Four” after the unification of LDLP and LSDP) was irrevocably destroyed. On the contrary, the “old” parties regained the yielded positions, while the prospects for the establishment of the “new” parties (NU/SL and LDP) in the party system are quite uncertain.

Certainly, the last elections were won by the LSDP. In comparison with the previous elections, LSDP got a notably greater number of both the mandates and the votes (first place in the elections in both of these categories). Disregarding the fact that it is at present the ruling party, one of the main reasons for its success could be in the productive unification between the LSDP and LDLP, favourably viewed by the society.

Popular allegiance and political influence in the local councils was successfully retained by LLU. The party got slightly more votes (second place in the elections) and almost the same number (fourth place) of municipal council mandates as in the 2000 elections. This result, despite the party’s internal problems, which almost brought about the split-up of the party, could also be viewed as an “electoral heritage” in the implementation of the strategy of the unification with LCU.

The elections to local government councils have demonstrated that HU/LC is gradually regaining the relinquished influence: the party was supported
by slightly more voters than in the 2000 municipal elections, and by significantly more than in the 2000 Seimas elections; furthermore, the party got almost the same number of mandates in the local government councils as in the previous elections (second place according to the number of mandates, third place according to the number of votes).  

The fourth place in the last elections according to votes received, and the fifth according to the number of mandates in local government councils was taken by the LCU. The party collected approximately the same number of votes as it did in 2000, thus its position in the municipalities has remained quite stable. It should be noted that LCU has always distinguished itself in the “small politics” by its exceptional coalition potential and “attractiveness” to other parties.

UFPNDP is a traditionally strong “municipal” party. According to the votes received, this party ranks fifth, but according to the number of mandates, it is in the third position. UFPNDP is, undoubtedly, regarded by the voters as a “local government” party, which also has its leaders, noted for their attitudes of “non-politicizing farmers”, in various regions. All this used to bring sufficiently good results for the party in the elections to local government councils. However, comparing the results achieved by UFPNDP in the last two municipal elections, it should be noted that the party received slightly fewer votes and considerably fewer mandates. This could be also interpreted as the consequence of the LDP’s intervention into the electorate of UFPNDP.

The election novice LDP won the sixth place according to the number of votes, and the seventh according to mandates received. Bearing in mind that LDP was only created in early 2002, the results gained by the party ought to be assessed positively, though it seems still too early to make any generalisations about its establishment in the party system. It could be only noted, perhaps, that at least for the immediate future, the popular confidence in LDP is furthered by the election of its leader to the post of the President of the Republic, and this “fuels” the party’s ambitions before the 2004 Seimas elections.

In comparison with the results of the 2000 election, an intensely painful defeat in the latest elections was experienced by the NU/SL (sixth place according to the number of mandates, and seventh according to votes). The only obvious reason for this failure could be NU/SL’s inability to withstand the competition from LSDP and the appearance of LDP, which “aimed” at a similar electorate. On the other hand, it is worth mentioning that NU/SL retained its more or less stronger influence in almost all local government councils.

The group of the eight most popular and enjoying the greatest voter confidence parties is “closed” by the LCHD, which ranks eighth both in accordance with the number of votes and mandates received. In comparison
with the 2000 elections to local government councils, LCHD managed to acquire approximately the same number of mandates and considerably more votes. On the other hand, the party ought to be concerned that, despite the fact of the LCHDP and CHDU unification, LCHD received slightly fewer votes than in the previous elections to the Seimas.

Thus, the results of the 2002 elections to local government councils have only partly confirmed the presumptions raised after the 2000 elections to local government councils and to the Seimas. Due to the considerable shifts in the preferences of the electorate, the indices of voting volatility and party system fragmentation ought to remain quite high. Nevertheless, the establishment of the “new” parties in the party system could not yet be regarded as an accomplished fact, nor the attitude that the “old” parties have lost their significance and could be regarded as having been pushed to the fringe of the party system.13

3. The outcome of the 2000–2002 election cycle: the beginning of a closer cooperation between parties?

The Lithuanian party system is undergoing a dramatic change, though its scope and consequences are not yet entirely clear. The actors of the party system, i.e. parties, are realigning; and again, the same parties, in response to the society’s moods and objective tendencies in the party system, are obliged to modify their policies and to look for the possibilities of closer cooperation. Favourable conditions for the converging of parties and their coalitional policy strategies have been created. In the period under consideration, this was to some or another extent expressed as follows:

- first, on the level of state governance: formation of ruling coalitions on the national level (NU/SL + LLU; LSDP + NU/SL);
- second, on the level of political party organisation/structure: unification (merging) of several party organisations (LDLP + LSDP; LCHDP + CHDU; LFP + ND/WP; LFL + LDP + IP + HPP);
- third, on the level of local government (local government councils): appearance of increasingly intensive party coalitional (and not only between the left or the right, but between the left and the right political parties) cooperation.

Before the year 2000, the experience of coalitional cooperation in Lithuania was not very rich.14 The party cooperation on a national level used to be often regarded as feigned or that of unequal partners; on the structural level, all the attempts made by the parties at unification would fall flat; on the local level, the cooperation of parties could be termed as too spontaneous and lacking coordination on the part of central party organisations. The greatest experience of coalitional cooperation was accumulated by the parties on the level of elections, where the parties used to coordinate their actions in forming election coalitions.
After the 2000-2002 election cycle, the interrelations between parties, the formation of party policies, and their strategy in implementing political programmes have undergone fundamental change. The realigning of parties has also determined the corresponding changes in the party system. On the left wing of the party system, a distinct nucleus of attraction for the “left” voters—LSDP was formed; at that period LSDP not only prevailed over other parties, but also to a considerably great extent ensured the stability of the whole party system. As never before, there was a particular increase of competition between political parties in the “centre” of the party system; from among the influential parties, claims to this party niche and the related electorate were first of all laid by UFPNDP, NU/SL and LCU as well as by LLU, which referred to itself as a “right centre” power.

The situation which formed on the right side of the party system could be described as ambiguous, obscure and unstable. The parties, acknowledged by voters as “traditionally” rightwing—HU/LC and LCHD—competed not only among themselves, but also, as it has already been mentioned, with another right centre contender LLU. Ideological and programme identity problems experienced by the right parties at that period (insufficient self-identification) prevented the emergence of a dominant party in the right wing of the party system. Thus, in the nearest future there could be expected within this niche the strengthening of “centripetal” or “consolidation” tendencies, likely to suppress the rivalry of programmatically closest parties and encourage their converging.

What kind of changes in the relations between the parties, and in the party system in general, could be expected in the aftermath of the latest elections to the local government councils, and until the forthcoming elections to the Seimas?

The majority of the parties repeated the kind of behaviour in elections they had already demonstrated before—when attempts are being made to “move” towards the centre of the party system by almost all possible means. This is revealed by the [based on compromise] programmatic attitudes of the majority of influential parties—to be the left or the right centre parties. It could be expected that in the nearest future, quite probably as long as the outcome of the 2004 Seimas elections, the relations of the right political parties and the prospects for their cooperation will continue to be ambiguous. The realignment of parties is expected to continue until, quite probably, the formation of clearly defined party blocks within the party system. The conditions for this remain favourable—this is confirmed by the initiatives for structural cooperation—probably including a unification of party organisations—proclaimed right after the elections by the top right centre parties (LLU + LCU + MCHDU; HU/LC + LUPPD + LRU).
The unification of the right centre parties undoubtedly ought to encourage cooperation between other right parties, primarily between HU/LC, LCHD and LU PPD. Nevertheless, these processes might be somehow hampered by the expected change of the leaders of HU/LC and LCHD, as well as by their mutual hostility.

The second “instability factor” of the party system (the first is the inadequately determined status of the right parties) can be seen in the “newcomers” – NU/SL and LDP – of the period between 2000 and 2002. These two parties have presently acquired a sufficient political weight, therefore their activity is important for the development of the whole party system. However, nothing in the results gained by either NU/SL or LDP in the latest elections indicate that the parties concerned have managed to “finally” establish themselves among other politically important parties. In deciding the problems of the establishment or preservation of these parties’ political influence, it would be more reasonable to analyse not so much the issues of their tactics, but rather those of their strategic development and interrelation with other programmatically close parties. Firstly, the questions concerning the relations of these parties with LSDP (the latter seems to have successfully utilised such a “state of weightlessness” for its own benefit) have not yet been answered. Obviously, some of the tendencies in the party relations will be revealed by their decisions already in the nearest future, first of all, in the elections to the offices of the mayor, as well as in the formation of other important local government structures.

III. Formation of Government after the Elections to the Local Government Councils: Ruling Potential of the Parties and their Cooperation

1. The potential of parties and their abilities to ensure the stability of governance

Elections to the local government councils reveal the organizational maturity of political parties and their preparedness to govern. Political parties, as it has already been mentioned, received exclusive rights to participate in the elections to local government in 1995. Unfortunately, on the level of municipalities, they fail to ensure either the stability of government or the continuity/succession of power. It is first of all connected with the meagre experience in governance accumulated by the political parties, as well as with human resources, frequent rotation of leaders, etc.

The weakness of party organisations on the local government level is undoubtedly related with the qualitative indicators of the party system. The majority of the most influential political parties tended to devote their greatest attention to such issues as, for instance, participation in the formation of the
national policy, definition of the programmatic/ideological identity, and the relations with other parties (primarily with those in the opposition), etc. There was definitely not enough focus given to the strengthening of local party organisations, promotion of leaders, as well as to consistent and programmatically motivated relations with both kindred and opposing parties “on the spot”.

The results of the elections to the local government councils of the latest years (1995-2002) confirm the weakness of the party organisations. Only very few parties manage to secure and sustain popular trust in the regions (municipalities) of Lithuania; the process of the local government formation most often produces coalitions of “programmatically unrelated partners” or “inflated” coalitions; the mayors nominated and elected by the parties very often find it difficult to stay in the post until the end of the term.

The last four consecutive elections to the local government councils have only confirmed the general tendency: the same as with the situation on the national level, in the municipalities a significant political weight is enjoyed by a very limited number of parties. According to the number of mandates received, those parties certainly are LSDP, HU/LC, UFPNDP, LLU, LCU, NU/SL, LDP and LCHD. On the other hand, the total number of the mandates received by the parties does not conform to the general arrangement of their influence in local government councils (see Table 3). It should also be noted that in the latest elections the parties managed to deploy the available recourses and assess their potential more successfully (in particular comparing with the 2000 elections). Practically in all local councils there will be the representatives of LSDP and HU/LC; slightly greater losses were suffered by LLU, UFPNDP and the “new” LDP.19

The strategies employed by the parties in the elections to local government councils have demonstrated which parties are able to seek influence nationwide, and which only in relevant towns or certain regions. Such regional parties certainly include LPEA, Freedom Union, URL (the newly established PPRA and LFLP are likely to turn into such as well). LNU (which used to be quite an ambitious party in the period from 1995 to 1997) has lately been nominating its candidates only in just a few constituencies; LUPPD has managed (certainly exclusively due to its participation in the coalition with HU/LC) to maintain the same (acquired previously) political influence; the weight of other parties both in local government councils and nationwide could be regarded as “minimal”.

Elections to local government councils make it also possible to evaluate the change in the “attractiveness” of the parties for urban and rural inhabitants. In the period between 1995 and 1997, the attractiveness of parties for the voters was directly related with the general election results (“the winner takes everything” ) The situation essentially changed in 2000-2002, where the
allegiance of voters differentiated both in “urban” and “rural” constituencies. It can be observed that the right parties most often dominate in the major towns (Vilnius, Kaunas, Klaipėda, Panevėžys): LLU in Vilnius and Klaipėda, HU/LC in Panevėžys and Utena. Meanwhile in the countryside, in the “rural” constituencies, since 2000 there have clearly dominated the left and “left centre” parties (LSDP, UFPNDP, NU/SL). In recent years, LSDP (LDLP) and UFPNDP (LFP) have actually become “rooted” in some regions.20

Table 3. Electoral-geographical potential of parties and their influence in local government councils (ratio between the candidate lists nominated in the constituencies and the number of mandates received)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LSDP</td>
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<td>33</td>
<td>-11</td>
<td>54</td>
</tr>
<tr>
<td>HU/LC</td>
<td>55</td>
<td>54</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td>NU/SL</td>
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<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>LLU</td>
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<td>52</td>
<td>-1</td>
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<tr>
<td>(LCHDP)</td>
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<td></td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>UFPNDP</td>
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<td>-3</td>
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<td>42</td>
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<tr>
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<td>48</td>
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<td>55</td>
</tr>
<tr>
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<td>-4</td>
<td>12</td>
</tr>
<tr>
<td>M CU</td>
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<td></td>
<td></td>
<td>17</td>
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<tr>
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<td></td>
<td>6</td>
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<tr>
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<td>-1</td>
<td>1</td>
</tr>
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<td>URL</td>
<td>3</td>
<td>0</td>
<td>-3</td>
<td>2</td>
</tr>
<tr>
<td>LNU</td>
<td>38</td>
<td>27</td>
<td>-11</td>
<td>32</td>
</tr>
<tr>
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<td>-2</td>
<td>1</td>
</tr>
<tr>
<td>LNDP</td>
<td>9</td>
<td>1</td>
<td>-8</td>
<td>3</td>
</tr>
<tr>
<td>PPRA</td>
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<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>LFLP</td>
<td></td>
<td>3</td>
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<td>-2</td>
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<td>YLNNU</td>
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<td>-1</td>
<td>9</td>
</tr>
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<td>3</td>
<td>-3</td>
<td>2</td>
</tr>
<tr>
<td>LRU</td>
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<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>SD 2000</td>
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<td>-36</td>
<td>8</td>
</tr>
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<tr>
<td>LPJ</td>
<td>1</td>
<td>0</td>
<td>-1</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: (a) “1”- the number of municipalities where the party (coalition) presented its list of candidates; “2”- the number of municipalities where the party (coalition) won mandates; “3”- the number of municipalities where the party (coalition) failed to obtain any mandates; (b) the mandates obtained by coalitions are assigned to the relevant parties.
In terms of political stability, there are only just a few regions (municipalities) which are noted for a lengthier period of continuity and succession of political power. For instance, in the period between 1995 and 2002, the winners in the elections to the local government councils were: LSDP (+LDLP) in Biržai, Kelmė, Pakruojis, Zarasai; LPEA in Dūkštingė, Trakai, Vilnius region; HU/LC in Panevėžys; LCHDP in Molėtai; LFP (UFNPDP) in Ignalina. It is true, however, that the results of the last two or three elections to the local government councils have shown that voters increasingly often tend to re-elect the same parties to power. Thus, in 1997, 2000 and 2002 voters showed confidence in the same parties: to LSDP in Biržai, Kelmė, Pakruojis, Vilkaviškis (in 2000 and 2002) and in Zarasai; to HU/LC in Neringa, Palanga (in 1997 and 2002), Panevėžys, Pasvalys (1997 and 2002); to LFP (UFNPDP) in Ignalina, and in 2000 - 2002, in three municipalities - Dūkštingė region, Dūrventai, Kupiškis; to LPEA - in all the three abovementioned municipalities; to LLU - in Klaipėda and Vilnius city, Visaginas (2000 and 2002); to NU/SL - in Kėdainiai, Dvėnėionys (2000 and 2002); to LCU - in Varėna (1997, 2000 and 2002); to LNÚ - in Akmenė (1995, 2000 and 2002).

Nevertheless, one thing for the party is to win (obtain the greatest number of mandates), while quite another is to ensure the decisive political support in the elections to the office of the mayor. Experience has shown that parties very seldom manage to obtain more than half of the mandates (which is necessary in order to be elected mayor). For example, in 1995 there were only 4 of such local government councils, in 1997 - 7, in 2000 - 8 and in 2002 - 10 local government councils. Previously, when a certain political power used to win municipal elections with a clearly expressed prevalence (HU/LC in 1995–1997), in order to form a ruling coalition it was enough to have an agreement between 2 or 3 parties (most often HU/LC, LCHDP and LCU). Nevertheless, the 2000 municipal elections have demonstrated that it is no longer sufficient to make an agreement between 2 or 3 parties to form such a coalition. Thus, there were about 40 instances where the ruling coalition was formed by four or more political parties. In most cases those are “left centre” (LDLP, LSDP, NU/SL, LFP) coalitions (20 instances), and slightly less often “right centre” (HU/LC, LCHDP, LLU, LCU) coalitions (9 instances).

On the other hand, there were quite a number of occurrences where the election of a mayor was insured only by the so-called “ideologically inflated” coalitions, i.e. coalitions of partners who have nothing in common in terms of programmes (10 instances). Meanwhile, there were but a few instances when the parties upheld by their consensus in the elections the nomination for the post of the mayor.

However in general, such local government councils where almost constantly win the same political forces, and where the same party leaders are repeatedly re-
Alvidas Lukoðaitis

Elected, are not numerous. Far more abundant are the cases when right after the elections it becomes obvious that the run of the term will teem with political stability problems, which will make it impossible to ensure the smooth governance of the local council. Thus, immediately in the aftermath of the 2002 elections, it became obvious that at least 10 local councils would find it quite complicated to elect the mayor and ensure stable governance. During the run of the term of office, it became clear that the situation was actually even more complicated: 20 mayors out of the total number of 60, or 33.3 per cent, were changed.

2. Party relations and cooperation after the 2002 elections to local government councils: the results of the elections to the post of mayor

As soon as the results of the elections to the local government councils became known, there appeared prognoses that party relations in forming the local government would be dominated not by the motives based on values, but by pragmatism, therefore the relationships between the parties were not expected to be based on the agreements concerning the implementations of party programmes, but rather on the distribution of posts. It was possible to expect that the “weight” of the parties in negotiations would be most influenced by the election results (“the place taken”) as well as the “attractiveness” of the particular party to the other negotiation partners (which in its turn would depend on such factors as the popularity of the party in the society, its reliability, etc.).

It was also maintained that the future coalition structures would be mostly influenced by, first of all, the attitudes of the election winner LSDP towards other parties; secondly, by the ability of the centre right parties (LCU, LLU, HU/LC, LCHD) to coordinate their mutual activity; thirdly, by the position of NU/SL, which had considerably deteriorated in the municipalities as compared with the previous elections; fourthly, by how other parties would view the election “newcomer” LDP.

After the latest elections, not unlikely the situation after the 2000 elections, there were not many one-party majorities in the newly elected local government councils, the cases when all the parties managed to come to an agreement and ensure “general” support in the elections of the mayor were also not numerous. Consequently, in the absolute majority of local government councils parties had to act in the circumstances of coalitional policy, i.e. they had to agree concerning the support in the elections of the mayor.

In most of the local government councils, in order to ensure political support in the elections of the mayor, it was necessary to combine the interests and actions of 4 – 5 or even more parties. Thus, in as many as 27 municipal councils, the mandates were distributed between 8 or more parties: in Maþeikiai mandates were divided by 10, and in Ukmergë even by 11 parties. On the other hand, in comparison with the 2000 elections, now there was a slight
increase in the number of local councils where mandates were divided by a smaller number of parties (23 instances), though there also were 14 cases where the mandates were shared by more parties.21

The decreasing polarisation of the party system and its increasing fragmentation has created favourable conditions for the coalitional policy of the parties. As it has already been mentioned, in a great number of local councils most often there were several parties that had a possibility to compete for the post of the mayor. Consequently, this predetermined a situation where the results of the formation of the local government structures would be adjusted during party negotiations, and they would not “conform” to the final results of the elections and to the voters’ will.

Namely in the municipal councils after every elections there arise such problems of “unconformity” between the will of the voters and that of the parties, especially where the mandates are distributed among a great number of parties. Though there can also emerge situations of a different character, for example, where the formation of the government is determined by advance agreements between the parties on the cooperation after the elections, if some of the parties have a far more extensive political experience, better negotiation skills, etc. Such situations can undoubtedly be strongly influenced by public opinion, and support or disagreement with the party policy. Unfortunately, this is precisely what the parties themselves most often employ by appealing to the public opinion, referring to the “place taken in the elections” and totally disregarding the essence of coalitional policy and the logic of functioning (quite often it is by “crying ‘foul’”).

After both the 2000 and 2002 elections, when the results of the elections to the office of the mayor became known, there were a number of local government councils where the parties which won the elections were not able to win the “main prize”, i.e. the post of the mayor (see Table 4).

The presented data show that in the 2000 elections the greatest “winners” were LDLP (2 positions “lost”, 5 positions “gained”) and LCU (4 positions “gained” and none “lost”). The winning left centre parties had extensive possibilities to coordinate their actions and “block” the right centre parties – which is precisely what was done, first of all with HU/LC (“lost” as many as 6 positions).

In the 2002/3 elections the right centre parties met with a slightly weaker pressure on the part of the left centre parties, though the change in the situation was insignificant. Here again, LSDP was a clear leader in the coalitional negotiations (as many as 7 positions “gained”; true, 4 positions were “lost”), LCU yet again was experiencing success (3 positions “gained”, 1 position “lost”), which reaffirmed LCU’s coalitional “attractiveness” in the local government councils for other parties; NU/SL could also be regarded as lucky, as it managed
Alvidas Lukočaitis

Table 4. “Inconsistency” between the victory in the elections and the acquired posts of the mayor

<table>
<thead>
<tr>
<th>2000 election results</th>
<th>2002/3 election results*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local government</strong></td>
<td><strong>Winning</strong></td>
</tr>
<tr>
<td><strong>council</strong></td>
<td><strong>party</strong></td>
</tr>
<tr>
<td>1. Alytus region</td>
<td>H U/LC</td>
</tr>
<tr>
<td>2. Jonava region</td>
<td>LFP</td>
</tr>
<tr>
<td>3. Kaunas region</td>
<td>H U/LC</td>
</tr>
<tr>
<td>4. Kretinga region</td>
<td>LFP</td>
</tr>
<tr>
<td>5. Lazdijai region</td>
<td>H U/LC</td>
</tr>
<tr>
<td>6. Palanga</td>
<td>NU/SL</td>
</tr>
<tr>
<td>7. Panevėžys city</td>
<td>H U/LC</td>
</tr>
<tr>
<td>8. Pasvalys region</td>
<td>H U/LC</td>
</tr>
<tr>
<td>9. Radviliškis region</td>
<td>NU/SL</td>
</tr>
<tr>
<td>10. Raseiniai region</td>
<td>N U/SL</td>
</tr>
<tr>
<td>11. Rietavas</td>
<td>LFP</td>
</tr>
<tr>
<td>12. Rokiškis region</td>
<td>LDLP</td>
</tr>
<tr>
<td>13. Būlaišė region</td>
<td>H U/LC</td>
</tr>
<tr>
<td>14. Būlėtė region</td>
<td>LFP</td>
</tr>
<tr>
<td>15. Tauragė region</td>
<td>N U/SL</td>
</tr>
<tr>
<td>16. Trakai region</td>
<td>LPEA</td>
</tr>
<tr>
<td>17. Visaginas</td>
<td>LDLP</td>
</tr>
</tbody>
</table>

* The elections to the post of the mayor were held in early 2003.
** The results of the elections to the post of Vilnius mayor were challenged at the court.

to “win” two posts of the mayor. The greatest defeat was certainly suffered by LLU, which “lost” as many as 4 mayors’ posts and failed to get any “additional” ones in the negotiation (it should be noted that LLU “gave in” to coalition partners in Kaunas and Klaipėda, in Plungė – to H U/LC, and only in one case – in Vilnius – it lost against the left LSDP).

In the elections under discussion, there was, even though insignificant, increase in the number of local government councils where one party managed to acquire more than a half of the mandates in the council;22 there also were 11 municipal councils where the parties lacked just a few mandates to form a one-party majority, or they won the elections with an overwhelming majority over the other parties.23 Nevertheless, in the absolute majority of local government councils, the elections to the post of the mayor were determined by the agreement between sometimes up to a dozen parties. The results of the mayors’ elections have confirmed that parties were not avoiding agreement over a formation of “wide” or even ideologically “controversial” coalitions.

In evaluating the elections to the posts of the mayor, it could be noted that, in comparison with 2000, this time the process was far smoother, the
parties, in their attempts to secure support, coordinated and adjusted their actions among themselves, political tension was lower, etc. This could be an indication of an improvement in the understanding of party coalitional policy, and concurrently of the growth of the general political culture.

The outcome of the elections to the mayor’s office makes it possible to state that some of the parties by their coalitional strategy managed to alter both the ratio of the mandates, as distributable pursuant to the legal regulation of elections, and the expression of the voters’ will. With the exception of the LSDP, which is an established leader in all categories (number of votes received and mandates acquired, as well as the number of mayor’s offices), the positions of other parties have been submitted to certain “adjustments”. For instance, comparing the number of the acquired offices of the mayor with other parameters, the greatest loss was experienced by LLU (second place in accordance with the number of votes received, 6-8 under the number of mayor’s offices) and HU/LC; other parties, especially LCU, UFPNDP and NU/SL managed to improve their positions.

Productivity of work, political composure and the stability of coalitions formed during the elections to the mayor’s office until recently used to be some of the most relevant problems in municipal councils. The experience of the local government councils of the 2000-2002 term of office demonstrated that the coalitions formed by random partners, or “inflated” and “controversial” coalitions were most often liable to disintegration before the end of the term. Conversely, the one-party, “narrow” and “consistent” (from 2 or 3 ideologically close partners) coalitions, or those enjoying general support from the parties were far more stable.

Regretfully, however, the formation of ruling coalitions in municipal councils after the 2002/3 elections gives little reason for optimism, the more so that the municipal councils are to have a longer term of office, the party system is not stable, and the relations among parties are ambiguous enough. Parties, as before, have formed numerous coalitions in municipal councils, which are “excessive” by the number of their members, ideologically “inconsistent” or “controversial”.

Judging by the structural format and content of the existing coalitions, a number of local government councils are likely to experience political instability. Such government instability problems may first of all be expected to emerge in the ruling coalitions of the municipal councils of Alytus region, Elektrėnai, Kaltai, Radviliškis, Rokiškis, Telšiai, Utena, et al.

The results of the formation of municipal structures, and those of the elections to the mayor’s office indicate that in most of the local government councils there will dominate the left centre parties (LSDP, UFPNDP, NU/SL,
LPEA). In comparison with the distribution of political influence after the 2000 elections, this time the right centre parties (HU/LC, LCHD, LLU, et al.) managed to achieve a slight improvement of their position, thought, perhaps, not to the extent they themselves had hoped. Thus, in 2000, there were 21 mayors elected from those parties, while in 2003 this indicator increased only up to 24 municipal councils. Consequently, the elections to the local government councils have not considerably modified the political map, the “boat turned right” but only slightly, and Lithuania remained more “leftist”.

After the 2000 elections to the local government councils, the most successful in the negotiations over ruling coalitions were the left centre parties (LDLP, LSDP, N U/SL, LFP). It should be noted that LLU and LCU were at that time like certain “intermediary links” between the left and the right parties, not infrequently acting as a kind of a buffer in the interrelations between the left and the right parties, and determining the formation of the ruling coalitions (they have participated in the coalitions with both the left and the right parties with almost the same frequency).

The change in the party cooperation trends in aftermath of this year’s elections to the office of the mayor was rather insignificant. Judging from the intensity of the parties’ participation in coalitions, it is possible to state that the greatest influence on the formation of power in the municipal councils was exerted by (LSDP, VNDP and N U/SL) These parties were engaged in intensive cooperation both among themselves and with other parties, with the resultant highest level of their participation in ruling coalitions (see Table 5).

**Table 5. Participation of parties in coalitions or “frequency of partnership” (FP)**

<table>
<thead>
<tr>
<th>Parties/coalitions</th>
<th>LSDP+</th>
<th>UFPNDP+</th>
<th>LCU+</th>
<th>HU/LC+</th>
<th>NU/SL+</th>
<th>LCHD+</th>
<th>LLU+</th>
<th>LDP+</th>
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</thead>
<tbody>
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<td>LSDP+</td>
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<td>23</td>
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<td>UFPNDP+</td>
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<td>5</td>
<td>16</td>
<td>9</td>
<td>10</td>
<td>9</td>
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<tr>
<td>NU/SL+</td>
<td>23</td>
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<tr>
<td>LCHD+</td>
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<td>6</td>
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</tr>
<tr>
<td>LLU+</td>
<td>7</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>LDP+</td>
<td>16</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>FP (total assessment in points)</td>
<td>88</td>
<td>77</td>
<td>62</td>
<td>56</td>
<td>84</td>
<td>63</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>FP (total assessment in points, 2000)</td>
<td>85*</td>
<td>75</td>
<td>87</td>
<td>31</td>
<td>89</td>
<td>34</td>
<td>59</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Those local government councils where the mayor was elected by the general consent between parties are not included in the table; * is the arithmetic mean of LDLP and LSDP PD.
There is no doubt that the most successful of the right-wingers in the negotiations with the centre left parties was the “newcomer” LDP (namely LDP attributes itself to the right), especially with LSDP and NU/SL. Conversely, it could be observed that LDP was the least inclined to enter into coalitions with LLU and LCU. In general, the influence of the right parties in the shaping of power in municipalities was considerably lower; the cooperation of mutual activity was performed slightly more intensively by HU/LC and LCHD, and in case of necessity they were most often assisted by LCU.

In comparison with the previous elections to the posts of the mayor, this time it is possible to observe a slight decrease in LLU’s potential and its “attractiveness” to other parties. This is confirmed by the ratio between the number of votes and mandates received by the party and that of the offices of the mayor won by the party. And conversely, some of the parties, primarily LCU and LCHD, were notably doing quite well in coalitional negotiations, they were equally successful in agreeing upon the formation of ruling coalitions both with the left and the right parties. It is also possible to single out the least perspective pairs of the parties, which were, most probably, often unable to combine mutual interests and enter into working partnerships. The list of such “coalitional combination” failures first of all includes UFPNDP – HU/LC, LLU – LDP ir LCU – LDP, LCHD – LDP.

Conclusions

The 2000 elections to the local government councils were regarded as “starting” (about half a year later there were elections to the Seimas), while the latest elections could be termed as “intermediary” (they were held approximately in the middle of the Seimas term of office). Obviously, there could hardly be a better chance for parties to test their “fitness”. Nevertheless, it is not the most important issue.

These latest elections to the local government councils are, first of all, interesting because they turned to be a certain indicator for the hypotheses raised by political scientists a couple of years ago. They, at least partly, enable to find answers to certain questions, help to form a better understanding of the developments in the party system and party relations, changes, etc. Thus, for instance, whether the mass “wandering” of the voters is still going on, and they continue just as intensively shifting from one party to another? How successful are the latter in their attempts to retain their own electorate and “lure” somebody else’s? What is the effect of those processes on the party system, and, in case it is responding to them, what changes could be expected in the nearest future? And finally, how are the parties’ “rules of the game” being created on the
municipal level, whether it has already been learned not only how to create them, but also how to adjust to them?

Certainly, answers after these latest elections cannot be absolutely sagacious. It is perhaps possible only to highlight some tendencies, which might be either confirmed or refuted by further events in the political life, and, first of all, the 2004 elections to the Seimas. Nevertheless, even today it is possible to state that the Lithuanian voter remains rather mobile, every time likely to change his allegiances and choices at the elections. This paves the way for many parties to seek relevance, and fairly good prospects are provided for the newly created party formations. On the other hand, the “old” parties are observed as being reluctant to accept the “newcomers” to their ranks, thus giving rise to the increase of party competition. In general, it should be noted that more or less the same parties, which are listed as “main” on the national level as well, could expect success in the elections to local government councils. Rare exceptions are only likely to prove this unwritten rule, for instance, traditionally (relatively) good results are achieved by UFPN D P and LPEA in the elections of this level.

The four elections to the local government councils have shown the increasing “dispersion” of votes, and the voters’ choice is diminishing the formerly structured “bipolarity” of the party system, thus the polarisation of the party system is constantly decreasing. The increasing fragmentation of the party system is an especially important mark of the latest elections. After these elections, the number of parties which possess significant influence in the formation of local government has increased up to eight (disregarding the unification of LDLP and LSDP). Nevertheless, it still seems too early to state that the party system has already rejected the 2002 “surprise” NU/SL and “accepted” the 2002 “newcomer” LDP. The parties have not yet managed to prove that their success is not accidental.

Elections to municipal councils are important and somehow interesting in another aspect as well: they are the best school for learning about parties’ interactions, the “polishing” of relationships, and the perfection of cooperation. Namely on the municipal level, the true value of the declarations enshrined in party programmes and the loyalty to “strategic partners”, etc. is revealed. It is also observed that after each of the elections, these party coalitional policy lessons are becoming increasingly richer and more beneficial. It can be firmly stated that the party coalitional tactics and negotiation skills are notably improving, thus, there were far fewer scandals after the latest elections over failure to honour party agreements, or over botched or unsuccessful elections to the mayor’s office. It goes without saying that the parties’ communication skills and constructiveness is the sign of the maturity of the party system.

An optimistic attitude is also reinforced by the fact that there is increasingly
less “politicising” in party activities and more pragmatism. People approve of that – they are louder and louder demanding real actions instead of just words. On the other hand, the relations between the cooperating or opposing each other parties have already reached such a qualitative level that people can quite easily understand the functioning logic of the position-opposition, etc. Thus, after the elections under consideration, the blocks of the centre left (LSDP, UFPNDP, NU/SL) and the centre right (HU/LC, LCHD, LLU, LCU) parties have remained fairly distinctive. This helps people to make their choices. True, the waters are still slightly “stirred” by LDP, in the programme planks and behaviour tactics of which it is possible to detect quite a sharp variance.

Parties, unfortunately, are not able meet the political stability requirements and fail this far from easy “examination” in the municipal councils. These problems are predetermined immediately after the elections when parties, taking no regard of the provisions of their programmes or the public opinion, do their utmost to grab the posts of the mayor, deputy mayor or any other important positions. It is not unusual that the ruling coalitions turn out into something, defined by political scientists as “overloaded”, “inflated”, “inconsistent”, and so on. The parties seem to be guided by the political situation of the day, they are only concerned to “take” the posts, like there will be no tomorrow. No thought whatever is given to the fact that it will be necessary to work all through the term of office, which, it should be noted again, this time will run for four years. Thus, bearing in mind the organisational potential of our parties and the clarity of their relations, it is possible to predict a collapse of the majority of the ruling coalitions formed today. This implies a replacement of the mayors, deputy mayors, administrators, etc., which is a costly undertaking.

After the elections, centre left coalitions have been formed in the majority of the municipal councils, thus it could be said that Lithuania remains “leftist” – now “from top to bottom”. The main reason for the success of the left parties is very simple – the division of the right parties and their lack of unity. Even though the right parties are recovering, they have yet managed to expand their influence in very few municipalities. The balance of political powers in municipal councils and the forthcoming elections to the Seimas is increasingly building the intrigue – perhaps for the first time there will be no “pendulum effect” or a radical change of power? It is obvious which parties are seeking for this, though it would be naïve to think that all of them have reconciled themselves to the situation.
NOTES AND REFERENCES

1 Alvidas Lukoaitis, lecturer, Institute of International Relations and Political Science, Vilnius University (alluko@URL.lt).
2 It is necessary to remind that this idea, put forward by LSDP, was supported by NU/SL, LCHD and LDP. The principal argument presented by the parties was that it would encourage the voter turnout and enable to save financial resources (about 10 m. Lt).
3 Actions of this kind are likely to turn into a doubtful tradition in Lithuania, where party calculations become the main motive in the attempt to influence the election process and the voters' mind. Something similar was also observed before the Seimas elections when it was decided to eliminate the second election round.
4 Initially the Central Electoral Committee received the documents for the participation in the elections from 10,316 candidates, nevertheless, some of them were denied participation because of violations of the Law on Elections.
5 In the 2000 Seimas elections, there were registered 15 party lists, in total the candidates included representatives from 27 parties; in 1996 24 lists were registered, participated representatives from 28 parties; in 1992 17 lists were registered, participated representatives from 22 political parties/political-social organisations.
6 The full names of the parties are presented at the end of the article (see: Abbreviations).
7 It should be noted that in the 1997 elections to local government councils, the competition was between 493 lists presented by the parties, in 2000 there were about 700, and in 2002 – 531 such lists.
8 The results shown by HU/LC in the 1997 elections have not yet been surpassed: the party then received as many as 493 mandates (33.2 per cent from the total number of the mandates); the result was not much lower in 1995 either - the party managed to get 428 mandates (28.7 per cent).
11 The first eight parties in 1997 got 83.7 per cent, in 2000 – 78.6 per cent, and in 2002 – 80.5 per cent of votes from the general turnout.
12 In this aspect (the ratio between the received-lost votes in the 2000 municipal and parliamentary elections), it is interesting to compare the results of the united LSDP with the “new” LLU and NU/SL on the one side, and those of the “scorned” by voters HU/LC, LCU and LCHD on the other. Thus, it is fairly obvious that in the latest elections the parties of the first block got considerably fewer votes than in the preceding elections to the Seimas. Meanwhile, the “old” parties received notably more votes than in the Seimas elections (with the exception of LCHD, thus proving that the unification of the two Christian parties failed to produce the desired effect). Are the “new” parties retreating and the “old” ones coming back?
13 Conversely, in comparison to the previous elections to local government councils, in the latest elections the “old” parties (LSDP, HU/LC, LCU, LCHD) got even more votes (in 2000 – 41.1 per cent, in 2002 – 44.06 per cent).
These parties also refer to their programmes as being of the right centre orientation. Nevertheless, in this case, the assessment of the voters is, probably, more important.

Thus, in the eventuality of successful unification between LLU and LCU, this might result in a certain "void" on the right wing of the party system, which would sooner or later be filled by new pretenders.

The leaders of LLU, LCU and MCHDU are expecting to join their parties into a united party organisation at the end of May 2003.

The first announcements about a possible unification between HU/LC and LUPPD appeared immediately after the results of the 2002 elections to the local government councils had become known. Besides, this is not unexpected, as the parties have been closely cooperating for quite a long time.

The election result achieved by LDP can be considered favourable first of all because the party was created only on 9 March 2002, and it was engaged in the "construction" of local (territorial) party structures practically up to the very elections.

This, first of all, could be related with the persons, popular in the relevant regions and famous party leaders (e.g. Seimas members), taking part in the municipal elections. The situation is likely to change when Seimas members are no longer allowed to participate in the elections to the local government councils.

For the second successive term of office, it could be said that "traditionally" the mandates are divided by many (at least up to 9) parties in Kėdainiai, Klaipėda region, Marijampolė, Mažeikiai, Raseiniai, Tauragė, Ukmerge; the smallest number of parties (not more than 5) divided the mandates in Kėdainiai, Neringa, Dūlėninkai, Varėna.

In 1997 there were 7 local government councils of this kind, in 2000 – 8 and in 2002 – 10.

There could be included the following local councils: Kazlų Rūda (LCU), Kelmė (LSDP), Kretinga (LSDP), Molėtai (LCHD), Pakruojis (LSDP), Pasvalys (HU/LC), Dūlėnai region (UFPNDP), Dūrventos (UFPNDP), Vilkaviškis (LSDP), Vilnius City (LLU), Visaginas (LLU).

It is necessary to remind that in 2000 the first attempt to elect the mayor failed in Kaunas, Marijampolė, Palanga, Panevėžys, Utena, Dūlėnė, Trakai and Visaginas. This time, the first attempt to elect the mayor failed only in Kėdainiai.

As the election to the office of the mayor is held by secret ballot, it is difficult to precisely determine in what way the representatives of different parties in the coalition cast their votes. Therefore, the data presented in the table cannot be absolutely accurate, thought they undoubtedly reflect the general tendencies.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>LSP</td>
<td>Lithuanian Socialist Party</td>
</tr>
<tr>
<td>LPP/PUFFL</td>
<td>Lithuanian People’s Party / People’s Union “For the Fair Lithuania”</td>
</tr>
<tr>
<td>LGP</td>
<td>Lithuanian Green Party</td>
</tr>
<tr>
<td>LSDP</td>
<td>Lithuanian Social Democratic Party</td>
</tr>
<tr>
<td>LDLP</td>
<td>Lithuanian Democratic Labour Party</td>
</tr>
<tr>
<td>SD 2000</td>
<td>The Lithuanian “Social Democracy 2000” Party</td>
</tr>
<tr>
<td>NU/SL</td>
<td>The New Union (Social Liberals)</td>
</tr>
<tr>
<td>LFP</td>
<td>Lithuanian Farmers’ Party</td>
</tr>
<tr>
<td>UFPNDP</td>
<td>Union of Farmers’ Party and New Democracy Party</td>
</tr>
<tr>
<td>LDP</td>
<td>Liberal Democratic Party</td>
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<tr>
<td>LCU</td>
<td>Lithuanian Centre Union</td>
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<tr>
<td>LChDP</td>
<td>Lithuanian Christian Democratic Party</td>
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<tr>
<td>LChD</td>
<td>Lithuanian Christian Democrats</td>
</tr>
<tr>
<td>ChDU</td>
<td>Christian Democratic Union</td>
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<tr>
<td>MChDU</td>
<td>Modern Christian Democratic Union</td>
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<td>LLU</td>
<td>Lithuanian Liberal Union</td>
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<tr>
<td>HU/LC</td>
<td>Homeland Union (Lithuanian Conservatives)</td>
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<tr>
<td>MCU</td>
<td>Moderate Conservative Union</td>
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<td>LNU</td>
<td>Lithuanian National Union</td>
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<tr>
<td>LRU</td>
<td>Lithuanian Rightists Union</td>
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<td>IP</td>
<td>Independence Party</td>
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<tr>
<td>LUPPD</td>
<td>Lithuanian Union of Political Prisoners and Deportees</td>
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<td>LPNU</td>
<td>Lithuanian National Party and “Young Lithuania” Union</td>
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<td>YLNNU</td>
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<td>LFL</td>
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<td>Freedom Union</td>
<td>Lithuanian Freedom Union</td>
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<td>PNP</td>
<td>The Party of National Progress</td>
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<td>RP</td>
<td>Republican Party</td>
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<tr>
<td>LNDP</td>
<td>Lithuanian National Democratic Party</td>
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<td>LPEA</td>
<td>Lithuanian Poles’ Electoral Action</td>
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<td>URL</td>
<td>The Union of the Russians of Lithuania</td>
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<td>LPPP</td>
<td>Lithuanian Polish People’s Party</td>
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<td>PPRA</td>
<td>Political Party Russian Alliance</td>
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<td>LCA</td>
<td>Lithuanian Citizens’ Alliance</td>
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<td>LPJ</td>
<td>Lithuanian Party of Justice</td>
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<td>ND/WP</td>
<td>New Democracy/Women’s Party</td>
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<td>LPE</td>
<td>Lithuanian Party of Economy</td>
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<tr>
<td>LRP</td>
<td>Lithuanian Reform Party</td>
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<tr>
<td>LPLL</td>
<td>Lithuanian Party of Life Logic</td>
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<tr>
<td>HPP</td>
<td>Homeland People’s Party</td>
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POLITICAL PHILOSOPHY AND THEORY
The article dwells on the criticism of political philosophy of liberalism. It is intended as a continuation of the philosophical dictionary of the superstitions of Modernity compiled by Jozef Maria Bochenski. The article tries to convey the idea that liberalism has steeped in prejudices over the last two centuries. The main prejudice is in bedded in the efforts of liberals to separate the comprehension of political matters from the objectives of the moral refinement of citizens. Modern liberalism has not only lost its touch with the tradition of classical political thought but also with moral principles and beliefs that had given rise to its development.

Liberals have become famous for fighting with various prejudices for the past two centuries. This has made them really eccentric personalities. John Stuart Mill wrote that “precisely because the tyranny of opinion is such as to make eccentricity a reproach, it is desirable, in order to break through that tyranny, that people should be eccentric”

Probably only by chance did Friedrich Nietzsche not become a liberal, but on the contrary, joined the ranks of the opponents of liberalism. It was him, not Mill, who outlined the guidelines of cultural liberalism. He pronounced that “every word is a prejudice itself” and added that every free and creative person should be able to work with a hammer, i.e. to destroy the established norms and values. He was not fond of liberals just because they were not radical enough in that respect and were still adherent to some Christian values.

Many ideas of Nietzsche are acquired by post-modern philosophy. All has been reverted into temporary perspectives that only were based on our attachment to certain words. However, such flourishing of the ideas of the previously mentioned author has not given the impact for the triumph of his philosophy. The works of Hans-Georg Gadamer and those of other authors have proved that any bigger attempt to escape prejudices have ended in similar prejudices. It means that Nietzsche was not able to do all the things he promised to do or, in other words, it was not possible for him to fight all prejudices with only the efforts of his own will.
Hermeuneutical turn of the modern philosophy has also affected liberals. The works of hermeneutists have made it clear that even the supporters of the most critical thought i.e. as liberals usually called themselves, could not escape prejudices. Hermeneutical philosophy has stricken the strongest blow to ethic individualism which is the main dogma of liberalism. Gadamer and the works of many other authors stated that history, culture, community, and traditions were more important than the individual. This idea negates the famous saying of John Locke that the mind of a person at birth is as a tabula rasa, a blank slate upon which experience imprints knowledge. It becomes clear that certain prejudices in the life of a human being are playing an equally significant role as the critical skills.

It is common knowledge that prejudices are not evil in themselves. The English language has even two words that express the meaning of this notion i.e. prejudice and superstition. The first one refers to the idea that lies before our cognitive perception and decision. Lithuanian translators propose to translate this word as “judgment beforehand”. Thus, we can say that it is the prejudice in a good sense, whereas superstition contains a negative connotation and refers to the belief in ominous signs, blind following of traditions and the wrong interpretation of the link between the cause and effect. We could speak about superstitions when after having seen a black cat to cross his path a person thinks that it can be the reason why he failed at his exams. When liberals evaluate all the things in the light of ethic individualism, we could say that this is the case of prejudice.

Jozef Maria Bochenski, the Swiss philosopher of Polish origin, wrote a book One Hundred Superstitions (Sto zabobonow). The objective of this book was to compile a short dictionary of modern superstitions. The author claims that a superstition is the belief that many people treat as right whereas it is wrong in the essence. Bochenski notes that many political issues, such as anarchy, anti-Semitism, humanism, democracy, communism, socialism, nationalism, and pacifism are among superstitions of the Modern Ages. However, his dictionary has one major shortcoming, i.e. it does not deal with liberalism. Therefore, this article is an effort to fill in the previously mentioned gap.

First of all, it is possible to claim that not all liberalism could be considered as a prejudice. It is too broad a tradition of political and moral thought that to be divided into a few primitive prejudices. It is well known that different streams of liberals base their ideas on different prejudices. Thus, as long as the different camps of liberals are able to debate among themselves, there is no risk of the prejudice for this tradition of political thought. The bigger threat is imminent if they lose the ability to discuss among themselves and with their outside opponents. Self-satisfied liberalism is the most fertile ground for prejudices.
It is not easy to speak about the prejudices of liberalism in the country which is just taking the first steps towards the liberalization of its social life. However, if we decide to reject this objective, we will negate the very essence of liberalism. It is not possible to think about this tradition of moral and political thought without the urge of Emanuel Kant saying that “immaturity is the inability to use one’s own understanding without the guidance of another.” It means that the criticism of the prejudices of liberalism cannot be postponed for a later date. If we do postpone it, we could turn into the characters of the joke in which water in the swimming pool is promised only after the characters learn how to swim.

We can note that liberalism looked different in the Soviet times than now if we have a look at it from the perspective of the last decade of post-communism. Some time ago it was a promising philosophy. However, the image of this political philosophy has been dramatically changed by the last decade’s experience of Lithuania. The liberalism which is based on the narrow conception of a person and society has recently come to our country. George Soros has very well disclosed its essence by saying that “according to market fundamentalism, all social activities and human interactions should be looked at as transactional, contract-based relationships and valued in terms of a single common denominator, money.”

Frequently liberals overestimate their merits while speaking about the modern societies of the West. Liberals seek to persuade the others that the modern Western society is the product of their political thought. However, this claim hardly corresponds to the real situation. Modern Western society has been developed not only by the efforts of liberals but also by the ideas of their opponents. The experience of the post-communist Eastern and Central Europe could be easily commented upon without any larger references to liberalism. The citizens of Lithuania and of the other countries of the region have fought for their moral autonomy, rule of law, respect for human dignity and for the effectively functioning market economy. All the previously mentioned issues were long time ago put on the political agendas not only of liberals, but also of their opponents.

A number of prejudices of liberals come from their certain societal naivety. Liberals, having their clear normative programs, usually do not pay the necessary attention to social and political factors that do distort the working of such programs. These factors are alienation of the society, the interests of groups, decline of inter-communal relations, decay of civic initiative, and negative transformations of the cultural life. Their political thought has had certain tendency towards extremities since the beginning of the 19th century. As soon as liberals start speaking about the free market, the non-economic values
inevitably suffer from that. Moreover, as long as they attempt to defend the ethic individualism, the societies suffer enormous losses from these efforts. Finally, when human rights become the center of their attention, any broader view towards the understanding of the obligations of human beings disappears.

One of the distinctive features of the liberal thought is their interest in various mythologies of liberation. Vytautas Kavolis is the most prominent among the Lithuanian authors. He does not care as much as Francis Fukuyama to end all history with the victory of liberalism. However, he is fond of the Hegelian scheme of the spirit as the fortifier of freedom. His books Сàмонингумо траекториjos (Trajectory of Awareness) and Епохо сигнатûros (Signatures of Epochs) leave the impression that the Lithuanian history has been moving in the single direction of the bigger liberation of the moral imagination of individuals since the 14th century. Vydûnas is more liberated than Motiejus Valanèius who, in his turn, is less liberal than Vincas Mykolaitis-Putinas. Salomëja Nëris is the most liberated among them.

It is common knowledge that this is the historiosophical scheme that stimulates the paralysis of the liberal thought. This particular attitude towards the Hegelian interpretation of history inevitably brings us to the idea that liberalism may be self-spreading without any efforts of citizens. Thus, if referred to the previously mentioned Hegelian conception of history, any major interpreting of the principles of liberalism as well as their comparison to the reality and to the other traditions of political thought become unnecessary. The triumph of liberalism is self-guaranteed in this case. In addition, all other authors who think otherwise are placed into the unenviable situation as they get negative labels such as “conservatives” or “dogmatists”. Dalkauskis, Maceina and the entire interwar period of the Lithuanian culture is labeled precisely that by Kavolis.4

Liberals try to use certain ties of themes of liberalization and modernization while employing the Hegelian scheme of the interpreting of history. In fact, there is really a very close relation between these two themes. However, liberals always want more, and they strive to prove that modernization and liberalization are two identical ideas. While trying to negate this prejudice, it is important to emphasize that the modernization of the Western societies has progressed not according to the scenario produced by liberals. The representatives of many other traditions of political thought have participated in the modeling of the previously mentioned process.

The modernization of the current Western societies broke new ground with the help of the works of Adam Smith as well as of Edmund Burke and Karl Marx. Burke claimed that modernization could not be identified only with the search for novelties, but it should also be tied up with the respect for
well established traditions of human behavior. Marx proposes one of the most
known alternatives to capitalist modernization, i.e. socialism. It is necessary to
note that even if his theory has been proved to be wrong, it has managed to
change the self-understanding of the current Western societies in a relatively
short period of time. It all proves that liberals are not a very powerful force of
the process of modernization. Certainly, they should be praised for their input
into this process; however their merits are not as significant as the liberals want
to prove.

Modern liberals want to identify themselves with the whole Western society.
Frequently one might find that liberals secretly have an idea that the contemporary
Western society is the best argument testifying the superiority of their political
philosophy. Again we see that the merits of the others are understated by
liberals. Nevertheless, it is not difficult to prove otherwise and state that the
contemporary Western society has been formed as the result of the clash of
various traditions of political thought. Rule of law, human rights, free market
and moral pluralism are advocated not only by liberals but also by many other
main schools of the Western political thought, including socialism and
conservatism.

Nowadays a new tendency of liberal political thought is being developed,
which could be described as the attempt to separate the two parts of the doctrine
i.e. moral and political. John Rawls, the American philosopher, is the most
prominent representative of this tendency. He claims that people who hold
different moral, religious and philosophical beliefs can easily agree upon the
principles of political liberalism. At the same time, moral and cultural liberalism
is exactly the same personal choice of every person as going to church or
participation in any public organization.

The political philosophy of Rawls possesses a number of strong points.
Although, even if we agree with its main theses, it is not very clear why a
person who holds non-liberal moral beliefs has to agree with the so called
“liberalism”? If the society can agree upon certain unbiased principles of political
cooperation, thus, it is easy to understand that these principles could be
characterized by the other, a bit more neutral, term that is not so related to
just one political philosophy i.e. to liberalism.

The attitude of ordinary people towards liberalism is similar to that of
laymen towards religion. Only a small part of modern societies interpret religion
in the same way as Frenchmen in the Age of Enlightenment: as a certain source
of oppression and ignorance. A number of citizens of modern societies recognize
the positive role of religion. However, it does not mean that they become
believers. They do realize the meaning of religion but they are still not able to
find their way to church. A similar situation is with liberalism. Citizens of
modern Western societies frequently use the name “liberal democracy” but they seldom are interested in recognizing of the truth of this doctrine. People become liberals in a very easy way only when they encounter representatives of the non-liberal societies. In the same way the Lithuanians who are non-believers become Catholics if they are judged by the representatives of Muslim countries from a distance.

Liberals remind of the first Christians who also expected an instant victory of their moral philosophy. It was believed that the liberal view of morality could become a part of any civilization and culture of the world. Nowadays this messianistic belief is gradually losing its former strength. Rawls suggests to strictly distinguish moral liberalism from the political one. It means that if liberals want to be to their credit, they have to refuse their pretensions for the role of a Prophet spreading the morality which is universally acceptable. They have to limit themselves to a bit more modest mission - to guard the agreement among the citizens for certain political principles. Political liberalism is a much more universal phenomenon than its cultural forms.

This relatively simple procedure of distinguishing between these two types of liberalism receives a considerable opposition from cultural liberals. The supporters of cultural liberalism continue to argue that their defended liberalism is much more universal than any other variant of this political doctrine. For instance, Kavolis and Donskis try to prove that political liberalism is a product of the pure Western political consciousness, whereas its cultural forms could be found in any culture and civilization of the world. This is the characteristic prejudice of liberalism. Political liberalism is a much broader ground for the accord among people who come from different nations and civilizations than any other form of cultural liberalism despite the fact that political liberalism could be the product of the Western political consciousness.

Liberals have acted according to the principle that “the issue of political freedom becomes more secure with more freedom in culture” since the Age of Enlightenment. Today this belief raises a lot of doubts. It is quite strange to see that some modern liberals, while noticing the pathologies of social and cultural life, are only able to come up with the one and the only answer that “this is the choice of individuals”. Besides, in observing human rights, liberals forget that the free choice of a person becomes meaningful only due to the reason that certain things in the life of a human being are much more significant than the others. Liberals become blinded by such ideas and are not able to see broader moral horizons; and they start welcoming the cultural barbarity that comes from the wide open doors of political freedom and equality.

It is naive to think that liberals are really impartial in respect to different conceptions of good life. They always defend the principle of political impartiality
and behind it one might notice certain moral values. On the other hand, it is significant to understand that this particular prerequisite is not valid for more private moral beliefs. “Liberalism certainly does not require us to run our lives, even our lives as political beings, on radically impartial principles. But it does require that the imposed framework within which we pursue our more individual values of others be in a strong sense impartially justifiable.”

The previously mentioned distinction between moral and political values is a very important condition for the existence of a free society. However, the doctrine of liberalism is even now haunted by certain single-sidedness. The supporters of impartiality direct all their attention to the impartiality of political institutions, and at the same time they forget to notice the questions of moral excellence of persons. They believe that moral life of individuals might be settled down by self-action as in the spontaneous order of the market. This belief helps to form narrow liberalism which is based on human rights and which brings any higher moral imperatives of human beings just into the legal principle of not doing any harm to the others.

It would be unfair to say that liberals are not concerned with the questions of the moral perfection of citizens. However, their ideas are undermined by giving preference to the issues of impartiality over the moral aspects. Liberals give all their attention to political correctness and to the questions of impartiality, but they start ignoring any a bit more significant references to the matters of the refining of moral character of the citizens. They are taken by the meta-ethic perspective which gives the possibility to escape any references to slightly more specific virtues. A strange union of political impartiality and meta-ethics is being formed this way. Liberals are only interested in the meaning of political correctness and tend to ignore the importance of the refining of moral character of citizens.

The thought of liberals has been haunted by various utilitarian prejudices since the beginning of the 19th century. One of them is related with making absolute the principle of not doing any harm presented by John Stuart Mill. The statement of liberals that the essential thing is not to do any harm to others involuntary gives the opportunity for people not to make any major effort in improving their morality. One might say that it becomes an unforeseen outcome of political thought of liberalism. Citizens indirectly get the idea that morality is limited to a narrow principle of not doing any harm to others. A number of other moral imperatives that do not match with the narrow scheme of this legal demand disappear as a result of the previously mentioned process.

Moreover, liberal thought is also damaged by one more thing that is close to utilitarianism, i.e. their excessive respect to economic decisions. There is no doubt that they should be praised for their protection of the economic rights
of citizens. However, this excessive fall for economic decisions also influenced their attitude towards morality. When liberals started to measure all the things only on profit-based calculations, this did some damage to certain moral principles that are not result-oriented. An individual who is acting according to the standards of economic efficacy is hardly persuaded to make every effort for the improvement of his morality. The latter process requires a lot of input but gives back hardly any material and real profit.

It is a paradox that certain prejudices of liberals occur out of their enormous love for freedom. This paradox is very well disclosed in Two Concepts of Liberty written by Isaiah Berlin. An attentive reader of that study might notice that Berlin, who wants to defend negative liberty, starts to fear any distinction between higher and lower parts of human nature. He thinks that this particular distinction of human nature could render service to various dictators, who are just waiting for the occasion to abuse people in the name of a certain higher objective. This is a characteristic example of the excessive fear of liberals. Liberals limit themselves to shutting down in the tower of negative liberty while being afraid of the abuse of political powers. Any step towards the assertion of other, a bit more positive, values is seen as inadmissible challenge to the freedom and equality of citizens.

Two centuries ago Mill had already noted this particular disregard of liberals towards moral hierarchies. While giving the answer to Jeremy Bentham, he stated that dissatisfied Socrates was closer to him than a self-satisfied pig. A number of contemporary liberals are trying to prove otherwise i.e. they believe that a pig might be equally happy, and what is more important that its conception of happiness is similarly respectable. The indifference towards the fostering of moral hierarchies still stays one of the major features of political thought of liberals. Mill did not succeed in curing this chronic disease. On the contrary, liberals tend to search for equality in such places where the representatives of other moral traditions try to build the strongest possible moral hierarchies.

The followers of this political philosophy are not usually aware themselves of how much they owe to the past generations of moral traditions. If we have a look from the perspective of several past centuries, we could say that liberals have been using the moral capital that was inherited from the past generations. Their famous critical approach has been employed only due to the fact that before the supporters of other moral traditions worked hard and managed to implement some slightly stronger practices of moral perfection of citizens. It is difficult to imagine how any modern liberal society would look without people having non-liberal beliefs. The critical skills of liberals exceed their abilities to propose any positive programs for the moral renewal of the society. Liberals are able to find a lot of words and to create programs with their help, but they are not capable of introducing any more vital practices for moral perfection.
During the past two centuries, liberals managed to scatter the moral culture that was created under the ideas of Johan Stuart Mill, John Locke and Adam Smith. All the previously mentioned authors believed that liberalization of the society would to a great extent contribute to the moral progress of humanity. However, the reality is very opposite as the moral culture, developed by Locke, Mill and Smith, find itself under in margins of the Western cultural life. Few of the liberals are aware that Smith was a professor of moral philosophy. Usually only his economic ideas are being discussed. A number of the elements that used to be rock-hard constants of moral life in the age of Mill and Smith were forgotten long time ago.

The over-exaggerated attraction towards formal theories of ethics could be named as one more prejudice of liberals. They have created a number of tests for the universalisation of norms, but could not manage to propose any real ethics of virtue that could encourage moral perfection of citizens. Liberals usually present more significant things only after the representatives of other traditions of moral thought have done the biggest part of the work. Namely, they were associated with such names as Thomas Aquinas, Aristotle or Martin Luther. The famous liberal tests of the universalisation are good only for one thing, i.e. we could test which of our moral values could be placed onto the level of universally acknowledged political norms. The truth is that the voice of liberals is hardly heard on the level of purely moral thought.

They start endangering their own political fortresses by knowing only how to limit the actions of the state. First of all, it could be related to the weakening of the ability of people to act together for the good of the society. As the society is divided into separate atoms-individuals, it is not able any more to influence the activities of political institutions. In addition, a number of the results of moral irresponsibility of individuals sooner or later fall onto the shoulders of the liberal state. This particular state can no longer be indifferent to the drawbacks in the moral character of individuals i.e. to their addictions to drugs, conjugal violence or even inability to behave decently in the society. Thus, there occurs quite a paradoxical situation when liberals, speaking about the separation between morality and politics, at the same time go to political measures in order to fight certain essential shortcomings of the moral character of individuals.

Liberals have done a lot in fighting with certain conservatives who are inclined to fundamentalism. Unfortunately, this has only become one more prejudice of liberals. A number of generations of liberals have been fond of the saying of Mill that conservatives are just “a stupid party”. However, this preconception does not allow liberals to see some quite strong sides of political philosophy of conservatives. Liberals are becoming more and more indifferent towards such aspects of society life as tradition, authority, fostering of communal relations, and moral excellence of citizens.
Moreover, liberals have also done a lot in combating the attempts to impose the conception of what is right and what is wrong. They have also worked for the implementation of economic freedoms of citizens. No one objects to the input of liberals in defending human rights. However, the political thought of liberals is still haunted by a number of constant disabilities. The followers of this political tradition of thought are not able to tackle the decline of moral responsibility of citizens, a gap between the awareness of duties and rights, decay of communal relations and growing ethic nihilism. Liberals as their predecessors are also not able to understand that a huge amount of problems of the society occur not due to certain open attempts to violate human rights and equality, but due to the fact that “human excellence” as it has been called by Mill is weakened.

Modern liberals have wasted the moral capital of the past, finally they are not able to become real authority of the moral life of citizens. Liberals, having done a lot in defending human rights, now can not propose anything significant for the moral perfection of citizens. A number of the prejudices inherited from the past prevent them from progressing their ethic individualism. Liberals examine any reference to the fostering of the traditions of moral life with great suspiciousness. They are equally cruel even in respect of their own moral traditions. Richard Rorty states that self-irony in respect of traditions is one of the distinctive features of liberalism.

Vytautas Kavolis proposes a concept “non-progressive liberalism”. He states that “liberalism could be not progressive in certain cases when it gives more freedom to children than they are able to manage, or if it takes bigger care of the rights of criminals rather than giving the necessary attention to their victims”. It is a very productive perspective in the analysis of the prejudices of liberalism. However, it could not be developed within the framework of cultural philosophy suggested by Kavolis. He thinks that “non-progressive liberalism” is a rare case. This view is distorting the real situation. We have to admit that non-progressive liberalism is as frequently met phenomenon as any other forms of the progressive liberalism.

A number of prejudices of liberalism arise from the fear of the common good. Liberals have come to a lot of strange arguments saying that a community is just a fiction, and that all depends on the choice of individuals. They continue claiming that the community does not have a sexual life and can not be treated with equal importance as individuals because they know what it means. As the imagination is being electrified in such a way, liberals usually become victims of their own arguments: any a bit more significant references to the common good seem to them as an inadmissible challenge to the freedom and equality of citizens.
A few generations of liberals have tried to prove that methodological individualism is the only serious measure against the abuse of political power. Bentham presents his famous thesis on the methodological individualism saying that "the community is a fictitious body, composed of the individual persons who are considered as constituting as it were its members". It is not worthy to argue about legitimacy of this thesis, but we have to admit that it has very quickly become a source of various different prejudices. Quite a number of liberals still think that any major reference towards the common good opens up the way to the collectivism of the worst reputation. Liberals try to interpret all the things only from the point of view of an individual i.e. without any references towards the communal implications.

While attempting to negate this prejudice, it is important to emphasize that the freedom and equality of citizens can be defended to the same extent even from the point of view of methodological holism. Although we have to acknowledge that citizens can identify themselves with certain forms of common good. The idea of common good is by no means a creation of the authors who do not respect the freedom of individuals. Even the biggest libertarians cannot do without it. If they do not recognize certain common norms and values as, for example, freedom of citizens, equality, moral pluralism, rule of law and free market, they could lose any more significant guiding signs of their traditions of political thought.

Liberals have severely damaged their philosophical vision during the past two centuries. They have started to notice only political power and individuals and have been ignoring the intermediate social structures that do stand between individuals and authority. Namely, they are as follows: family, neighborhood, community, church, and other non-political associations of individuals. Deliberate ignorance of communal implications has strengthened a disrespect of traditions by liberals. Liberals suspiciously scrutinize not only the idea of "common good" but also any references towards such notions as "tradition", "patriotism", "national feelings" and "commitment to the society". A real liberal cannot be described as being without any criticism of the traditional beliefs of people.

Liberal society is a paradoxical thing which can not stand on the grounds of the moral philosophy proposed by liberals. If citizens start building their identity on the claim of Bentham that there is no community, they could very quickly lose any clear understanding of what the moral issues are. The moral awareness of people starts from such concrete things of everyday life as family, neighbors, school, church or generally accepted habits. Therefore, the striving of liberals to escape from all these things becomes real prejudice in its worst sense of the meaning.

A few generations of liberals have tried to prove that morality is a private
business of every individual. It is common knowledge that it is one of the most important principles of the life of contemporary society. However, liberals have given up to certain negative prejudices even in this case. We frequently hear liberals speaking about individual choice, tolerance and moral individualism, but these ideas are presented only on the meta-ethic level. The impression is that when liberals state that morality is the individual choice of every citizen, they only attempt to escape the objectives of moral perfection of citizens. Liberals are as if trying to say to the citizens that the development of their moral identity should be done on the basis of other moral traditions that are not related to liberalism.

A number of supporters of liberalism do not want to realize the fact that, apart from the individual choice, the moral character of citizens, as well as their ability to foster certain moral hierarchies, is of no less value. George Hegel said that “the state in and by itself is the ethical whole, the actualization of freedom.” It means that political institutions are the projection of the moral beliefs of people. The contemporary state is not able to live according to one single conception of morality. However, we do not want to say that political institutions can act independently of moral beliefs of people. If the modern Western society ignores this significant element of political life, it could face a number of serious problems in the system of education, as well as the decline of civil initiative.

Liberalism does not consist of just a single philosophy. It has already been mentioned that it relies upon several different philosophies. The best impression is left by the philosophies that deal not only with individuals but also with the idea of the common good. The liberals who pay their respect to the community and the traditions understand that their task is not only to take care of the rights of individuals but also to pay attention to the forms of cultural life that stand behind the individuals. It could be interpreted that liberalism can not stop only at the line of political institutions but they have to be associated with certain moral culture. The thought of modern liberals sometimes is placed into a certain vicious circle: if liberals start dealing with politics, they avoid the issues of moral excellence of citizens, and vice versa, if they start from moral issues, they end up in contemplation on the subject of the standards of political thought.

Quite a number of the prejudices of liberals are related to their attitude towards free market. It could be even said that it becomes a kind of religious belief of liberals. Algirdas Degutis states that “certainly, the market has its own drawbacks as any other human institution”, and continues by saying that “the previously mentioned shortcomings could be eliminated at the best by the market itself.” While liberals are trying to measure all the things only by the criteria of the market, they lose their attention for many other values. Liberals
tend to forget that people are not preoccupied only by the economic welfare. In addition, people also care about the spiritual education of their children, as well as about the matters of their nation, community, religion and culture. Sometimes the impression is that modern liberals are not able to understand the difference between the faithfulness of a person to God and the faithfulness of the businessman to his chosen strategy of activities.

Edmund Burke, the founder of modern conservatism, left a number of his reflections on prejudices. He wrote: “You see, Sir, that in this enlightened age I am bold enough to confess that we are generally men of untaught feelings; that instead of casting away all our old prejudices, we cherish them to a very considerable degree, and, to take more shame to ourselves, we cherish them because they are prejudices; and the longer they have lasted, and the more generally they have prevailed, the more we cherish them”\textsuperscript{14}. Summarizing Burke’s ideas we can say that there is no reliable method that could help to distinguish good prejudices from bad ones. Even harmful prejudices could very easily become their opposites. The history of the political thought of liberalism is the best proof for the previously described phenomenon. The supporters of this tradition started as radical fighters against prejudices but have ended up producing the same prejudices.

Some of the problems of liberals are related with their inability to foster good moral prejudices. Burke, the conservative, wrote that “prejudice is of ready application in the emergency; it previously engages the mind in a steady course of wisdom and virtue, and does not leave the man hesitating in the moment of decision, skeptical, puzzled, and unresolved. Prejudice renders a man’s virtue his habit; and not a series of unconnected acts. Through just prejudice, his duty becomes a part of his nature”\textsuperscript{15}. It is difficult to imagine that such lines could be written by any classic of liberalism.

Liberals have not learnt to speak about the fostering of good moral prejudices. They believe that morality could be arranged according to strict principles of ethic individualism. Nietzsche claimed that “sitting in a moral judgement should offend our taste! Let us leave such chatter and such bad taste to those who have nothing else to do but drag the past a few steps further through time and who never live in the present, – which is to say the many, the great majority! We, however, want to become who we are, – the new, unique, uncomparable ones, who give themselves their own laws, who create themselves”\textsuperscript{16}. We are again facing this strange situation when Nietzsche, the critic of liberalism, is able to describe the intentions of this tradition of political thought in a better way than any other followers of liberalism. Perhaps it is one more paradoxical outcome of the surrender of liberals to bad prejudices.
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PUBLIC ADMINISTRATION
AND PUBLIC POLICY ANALYSIS
LITHUANIA'S ADAPTATION TO THE EU COHESION POLICY

Vitalis Nakrošs

Introduction

The process of European integration used to be treated as a dependent variable in the study of European studies with domestic politics acting as a central explanatory factor. In the 1990s the study of European integration as an explanatory factor in domestic continuity and change started to attract higher attention.

The object of this article is Lithuania's adaptation to the EU cohesion policy. Adaptation is defined as a change of domestic policies and institutions aimed at implementing the EU requirements. The phenomenon of adaptation is very important in the candidate countries which are not involved in the EU decision-making process, but should comply with political, economic, legal and administrative criteria of EU membership. The high volume of the acquis, currently consisting of over 20,000 regulations and 2,000 directives, illustrates the scope of domestic change in the candidate countries.

The main purpose of this article is to describe and explain Lithuania's adaptation to the EU cohesion policy. The EU cohesion policy was selected due to several reasons. Although regulatory policies prevail in the EU political system, the candidate countries need to adapt to few regulatory policies (e.g. Common Agricultural Policy or cohesion policy).

Also, Lithuania's preparation to manage the structural funds affected a number of domestic policies (national regional development policy, economic development policy, sectoral policies, budget and investment management policy, etc.) and institutions at the national, regional and local levels. Therefore, the multi-sectoral influence of the EU cohesion policy provides an interesting case for understanding the EU's influence on domestic change.

Moreover, the structural funds, which are the main sources of funding for the EU cohesion policy, are perceived as one of the major advantages of Lithuania's membership in the EU in the domestic political system. After its accession to the
EU, Lithuania will receive from the structural funds and the Cohesion Fund about EUR 1.336 billion of assistance in the period of 2004-2006.

And finally, the author of this article participated in the process of preparation for the structural funds during the period of 1997-1999 (as a civil servant) and observed this process during the period of 1999-2002 (as a consultant, policy analyst and researcher). These factors facilitated the application of such qualitative methods of research as analysis of primary and secondary sources of evidence, interviews and participant observation.

**Framework for analysis**

The main assumption of the adaptation literature is that the “mismatch” between European and domestic policies and institutions determines the pressure for adaptation at the domestic level. Europeanisation can cause a “policy misfit”, when certain components or even styles of domestic policies are challenged by the EU, and a less direct “institutional misfit”, when domestic institutions or actors are challenged by the EU.

These concepts are not very relevant to the study of domestic change in the candidate countries, where public policies and institutions are frequently at their infancy. Therefore, the framework for analysis was adjusted taking into consideration principles of EU eastward enlargement (in particular conditionality of EU membership).

For instance, unlike in the EU member states, where EU institutions take part in the process of domestic change on an ex-post basis (in the cases of non-implementation or implementation failures), the European Commission carried out an ex-ante control in the candidate countries. Therefore, an important role, which was played by the European Commission in the process of domestic change, was reflected in the framework for analysis.

However, the influence of the EU is an important, but not sufficient condition for domestic change. The occurrence of domestic change and its various characteristics (scope, speed, etc.) is dependent on such domestic mediating factors as:

- multiple veto points: the more power is dispersed, the more difficult it is to foster domestic change;
- formal facilitating institutions: formal institutions facilitate change by providing material or ideational resources for change;
- political and organizational cultures (or the logic of appropriateness constraining or facilitating particular change);
- differential empowerment of actors or the redistribution of power in the domestic political system;
and learning leading to the emergence of new interests and preferences in the policy process.

These factors are based on the assumptions of rational choice and sociological institutionalism. The first two factors represent the school of rational choice institutionalism, which claims that institutional and policy change is determined by the interaction of rational actors pursuing their interests. The last three factors represent the school of sociological institutionalism. According to this school, change can constrained or facilitated by the “logic of appropriateness” (norms, values, etc.), defining the boundaries of appropriate behaviour in the policymaking process.

The complete framework for analysis is presented below. Its relevance to the study of domestic change in the candidate countries will be discussed in the conclusion of this article.

Framework for analysis

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<th>Policy and institutional change (events, outputs and effects of adaptation)</th>
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The main independent variable of this article is the influence of the EU during the accession period of 1996-2002. The EU exerts its influence on the candidate countries through several instruments:

- gate-keeping: The EU influenced the policy-making process in the candidate countries by giving access to different stages in the process of accession to the EU, in particular with regard to starting and concluding negotiations on different chapters of the acquis;
- benchmarking and monitoring: The European Commission influenced domestic change in the candidate countries by monitoring their accession progress through the European Commission’s Regular Reports and the Accession Partnerships;
models: the EU provided general legislative and institutional models and frameworks for the candidate countries;
- advice and twinning: the European Commission influenced domestic change by providing advice and twinning to the candidate countries as well as
- aid and financial assistance: the provision of financial assistance through the pre-accession assistance programmes (PHARE, ISPA, SAPARD) affected domestic change in the candidate countries.

The dependent variable, domestic change, is divided into two main types of change found at the governmental level: institutional and policy changes. The assessment of domestic change will involve both formal (objectives, instruments, budget, etc.) and informal (different stages of the policy life cycle, i.e. programming, implementation and evaluation, levels of (de)centralisation and integration, co-ordination of different policies, etc.) characteristics of the public policy process.

The dependent variable can be further conceptualised by determining several levels of change, namely events, outputs and effects (results and impacts). Domestic change was also described in terms of scope (narrow, medium and broad) as well as speed (slow, medium or fast).

The article will determine the type of domestic change according to its main characteristics. Three main types of domestic change are distinguished in the adaptation literature:

- absorption: the level of mismatch is low, EU requirements are incorporated into the national institutional set-up or policy without any significant modifications. The degree of domestic change is low;
- accommodation: the level of mismatch is medium, EU requirements are accommodated with the national institutional set-up or policy without changing their essential features and underlying principles. The degree of domestic change is medium;
- transformation: the level of mismatch is high, domestic features of institutional set-up and policy are transformed into new or substantially different features, thus fundamentally changing their underlying principles. The degree of domestic change is high.

The article will answer the following specific questions: What are main requirements of the EU cohesion policy to which Lithuania should adapt? What are main stages and events of Lithuania's adaptation to the EU cohesion policy? How did the EU influence domestic policy and institutional change? Which "critical decisions" were adopted and implemented during Lithuania's adaptation to the EU cohesion policy? What are main outputs, results and
impact of Lithuania's adaptation to the EU cohesion policy? How did domestic mediating factors affect Lithuania's adaptation to the EU cohesion policy?

The EU cohesion policy and its requirements

This part of the article describes main requirements of the EU cohesion policy. The EU cohesion policy is the second largest public policy in the EU in terms of its budgetary size. In the period of 2000-2006 its total budget will account for one third of the EU budget (Eur 213 billion). The main aims of the EU cohesion policy are to reduce regional disparities between the levels of development of the various regions and the backwardness of least favoured regions or islands, including rural areas.

In order to achieve these aims, financial support is allocated to the EU member states from four structural funds - the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), the Financial Instrument for Fisheries Guidance (FIFG) - as well as the Cohesion Fund.

In the current programming period of 2000-2006 the structural funds are channeled to the EU member states through national programmes and four Community Initiatives (INTERREG, URBAN, EQUAL and LEADER). National programmes vary according to three main objectives, most important of which is Objective 1 providing assistance to regions whose development is lagging behind the EU average.

The life cycle of the EU cohesion policy includes six main stages: the financial perspective; general requirements of the EU cohesion policy outlined in the Council’s regulations; specific requirements and guidelines of the EU cohesion policy set by the European Commission in its regulations and various guidelines; preparation of the national programmes; implementation of the national programmes; and feedback.

Main requirements of the EU cohesion policy can be attributed to the programming and implementation stages of the EU cohesion policy. For instance, Lithuania should prepare a Single Programming Document (programme) and its complement in order to receive assistance under Objective 1 programme of the structural funds in the period of 2004-2006. Also, Lithuania should appoint one Managing Authority for the Single Programming Document, Paying Authorities for each structural fund, establish a Monitoring Committee as well as define an implementation framework (involving such management issues as monitoring, evaluation, financial control and audit, etc.).
Lithuania’s adaptation to the EU cohesion policy: review of main stages and events

This part of the article presents main stages and events of the adaptation process. The adaptation process, which was launched by the Commission’s questionnaire to the Lithuanian government in the end of 1996, can be divided into three main stages: 1996-1998, 1999-2000 and 2001-2002. The analysis is limited to the end of 2002, when Lithuania completed its membership negotiations with the EU.

In the period of 1996-1998 domestic change was of narrow scope (only two issues, namely the nomenclature of territorial-statistical units (NUTS) and regional policy guidelines, prevailed on the agenda) and of slow speed (the preparation and adoption of the regional policy guidelines lasted for about 1,5 years).

The period of 1999-2000 can be characterised by the medium scope (main issues included the definition of a legislative framework for the national regional policy and preparations to manage the EU’s pre-accession assistance programmes) and higher speed (it involved relatively fast preparation to manage the EU’s assistance programmes) of adaptation. In both periods the Ministry of Public Administration Reforms and Local Authorities (integrated into the Ministry of Interior in 2001) co-ordinated the process of preparation for the EU cohesion policy.

In the period of 2001-2002 domestic change was of extensive scope (in addition to other issues, it involved both programming of the structural funds and preparation for their implementation) and faster speed (it involved the adoption of main legal acts necessary for the completion of negotiations on Chapter 21). Also, this period was marked by a shift in the direction of institutional (the Ministry of Finance took over the co-ordination of preparations for the structural funds) and policy change (Lithuania introduced a centralised approach for the management of the structural funds).

The increasing scope and speed of Lithuania’s adaptation during the period of 2001-2002 can be attributed to the “critical decision”, the NDP Concept Paper, whose adoption will be analysed below.

The influence of the EU on Lithuania’s adaptation to the EU cohesion policy

This part of the article analyses how the EU affected policy and institutional changes according to the five types of instruments, namely benchmarking and monitoring; provision of legislative and institutional templates; gate-keeping; aid and technical assistance; advice and twinning.
The European Commission influenced domestic change by setting the agenda of the Lithuanian government and monitoring its accession progress. The most important tools of agenda-setting and monitoring are the European Commission's Regular Reports and the Accession Partnerships.

In its annual Regular Reports the European Commission identified institutional or policy problems in the candidate countries and recommends institutional or policy solutions. In its National Programme for the Adoption of the Acquis the Lithuanian government undertook legal and institutional measures to achieve short- or medium-term priorities of the Accession Partnership and meet the Commission's recommendations.

The European Commission assessed Lithuania's progress in the area of the EU cohesion policy in the period of 1998-2000 as "small" (1998) or "certain" (1999-2000), while progress made by the Lithuanian government in the period of 2001-2002 was assessed as "considerable". However, the Commission's recommendations to Lithuania in the area of the EU cohesion policy lacked consistency - in the period of 1997-1999 the European Commission recommended to establish an administrative, legal and budgetary framework for the national regional policy, but in the period of 2000-2002 recommended a transition towards the centralised system of managing the structural funds.

Three main factors affected the selection of a centralised model by the European Commission: limited administrative capacities of the candidate countries (in particular at the sub-national level), the short duration of programming period (2004-2006) as well as strict requirements of the structural funds (in particular a new rule of the automatic decommitment). This inconsistency can be explained by unclear aims of the EU cohesion policy and an interdepartmental competition inside the European Commission between the DG Enlargement and DG Regional Policy.

The European Commission increased its pressure for adaptation prior and during the process of negotiations on Chapter 21 - if in the period of 1998-2000 the European Commission paid most attention to the legal, institutional and budgetary framework as well as the programming of EU assistance, in the period of 2001-2002 the European Commission also assessed such issues as the institutional set-up for the implementation of the structural funds, administrative capacities and specific issues concerning monitoring and evaluation, project cycle, statistics, etc.

Also, the European Commission provided legislative and institutional models to the candidate countries during the pre-accession period. Although the management of the structural funds is governed by the Council's and Commission's regulations, whose transposition into national law is not necessary, in the period of 1997-1999 the European Commission recommended to establish
a legislative framework, whose provisions should comply the Community acquis. Therefore, the Lithuanian parliament passed a regional development law. However, since 2001 the European Commission adopted a different approach by accepting existing government regulations as a sufficient legal basis and perceiving any regional development legislation as unnecessary.

The EU affected the preparation of the candidate countries for the structural funds by giving access to different stages in the accession process, in particular starting and concluding negotiations on Chapter 21 (“Regional policy and structural measures”). This instrument became particularly important prior and during the negotiations on Chapter 21 with the EU, which were provisionally closed on 11 June 2002. The main issues of negotiations on Chapter 21 included the institutional set-up and administrative capacities for the management of the structural funds. Also, the provisional completion of negotiations on other chapters (free movement of goods, competition policy, agriculture, transport, EMU, statistics, social policy and employment, environment, financial control, financial and budgetary provisions) favourably affected Lithuania's adaptation to the EU cohesion policy.

Technical assistance and twinning projects financed by the PHARE programme and other bilateral programmes contributed to the development of administrative capacities necessary for the management of the structural funds in Lithuania. The allocation of PHARE assistance was based on the principle of conditionality – certain conditions should be fulfilled by the beneficiary before PHARE assistance can be launched (e.g. the availability of sufficient staff in the areas of agriculture, social and economic cohesion, transport and environment in order to manage the EU pre-accession funds).

For instance, the most significant outputs of the PHARE Special Preparatory Programme I in Lithuania included the preparation of a National Paying Agency for accreditation, the development of a training programme on the structural funds and the preparation of the National Development Plan. EU experts and twinning advisers provided good practice examples as well as legislative and institutional models to the candidate countries (e.g. Irish experts promoted a centralised model of managing the structural funds).

From 2000, the candidate countries became eligible to receive assistance under the PHARE Social and Economic Cohesion component (providing funding for business and human resource development), ISPA (providing funding for environment and transport infrastructure) and SAPARD (for rural development) programmes. The European Commission set a framework for the programming of the PHARE Economic and Social Cohesion by issuing guidance notes to the candidate countries.

In accordance with the first guidance note, support of the PHARE
Economic and Social Cohesion 2000 component was concentrated in three target regions (Klaipėda-Tauragė, Utena and Marijampolė). However, in the PHARE 2000 Review the European Commission proposed to introduce more sectoral approaches similar to Objective 1 approaches of the structural funds. Therefore, support of the PHARE 2001 in Lithuania was concentrated primarily on a sectoral basis in the business and human resource sectors. This decision has affected not only the programming of PHARE 2001, but also preparation to manage the structural funds.

Analysis of a critical decision: the National Development Plan Concept Paper

This part of the article discusses the adoption of a critical decision, the National Development Plan (NDP) Concept Paper, whose implementation broke the path of Lithuania’s adaptation to the EU cohesion policy. The analysis of this decision was based on the T. Borzel’s “push-and-pull” model.

The Lithuanian Government initiated the preparation of the NDP Concept Paper in response to the European Commission’s recommendation to introduce more centralised approach towards the management of the structural funds. The preparation of this document was co-ordinated by the European Committee under the Government in charge of the negotiation process with the EU.

In February 2001 the Lithuanian government adopted the NDP Concept Paper, which involved two major decisions:

Ž integration of the NDP (co-ordinating the EU pre-accession assistance, namely PHARE, ISPA and SAPARD) into the budget and the State Investment Programme;
Ž appointment of the Ministry of Finance (co-ordinating the budget and the State Investment Programme) as a co-ordinating authority for the structural funds and the Cohesion Fund.

Until the adoption of this decision, the preparation of the NDP was not co-ordinated with the budget and the State Investment Programme as well as the Ministry of Interior was responsible for the co-ordination of Lithuania’s preparation to manage the structural funds.

The preparation and adoption of the NDP Concept Paper was made possible by a combination of the “push” of the European Commission’s from above as well as the “pull” of domestic actors from below. The European Committee under the Government of Lithuania (which sought to start and complete negotiations on Chapter 21) and the Ministry of Finance (which sought to integrate EU assistance and national investments into one framework) supported the adoption of this decision. The synergy of EU and domestic actors allowed
overcoming the resistance of the Ministry of Interior to policy and institutional changes.

In addition to rational interests and the power of domestic actors (factors of rational choice institutionalism), the adoption of this decision was facilitated by the following two factors of sociological institutionalism: growing powers of the Ministry of Finance in the domestic political system (the Ministry of Finance became a co-ordinating authority for the Public Investment Programme in 2000) as well as processes of learning (experts of PHARE technical assistance and twinning projects provided advice and technical assistance during the preparation of this document).

The European Commission favourably assessed the adoption of this document and rewarded the Lithuanian government by proposing to become one of the first candidate countries in opening and completing the negotiations on Chapter 21. Also, this decision contributed to changing the orientation of Lithuania's preparations for the structural funds towards a more centralised system.

Main outputs and effects of Lithuania's adaptation to the EU cohesion policy

This part of the article outlines main outputs and effects (results and impacts) of domestic change as a result of the EU's influence.

Events, outputs, results and impact of Lithuania's adaptation to the EU cohesion policy

During Lithuania's adaptation to the EU cohesion policy the scope of the public sector increased - new functions and objectives as well as new institutions and divisions were established. However, the establishment of a few divisions can be better explained by bureaucratic reasons rather than the EU's influence.

Also, new staff was recruited, while existing staff increased their knowledge and skills about the EU cohesion policy. However, the sustainability of better knowledge and skills is constrained by frequent turnover of staff in the civil service. Despite these changes, responsible institutions still lack sufficient administrative capacities for the sound management of the structural funds.

Moreover, new inter-ministerial bodies (commissions, working groups, etc.) were set up and new co-ordination instruments (meetings, internet, guidelines, etc.) were designed in order to facilitate the co-ordination among different institutions and even different levels of government. Since the beginning of 2002 socio-economic partners became more actively involved in the process of preparation for the structural funds.

However, their involvement is suffering from the problems of “demand” (weak NGO sector) and “supply” (insufficient consultation capacity in the
New partnership arrangements provided strong interest groups with a better access to the decision-making process, i.e. the Confederation of Industrialists started to exert much stronger influence on the preparation for the management of the structural funds. Finally, despite the elaboration of detailed financial control and audit procedures governing the management of EU assistance, there were several instances of corruption, fraud and irregularities in the management of EU pre-accession funds. For instance, one agricultural company misused about Lt 200 thousand of EU and national co-financing from the SAPARD programme. It is likely that higher volumes of EU funds after EU membership will bring more incidences of corruption, fraud and irregularities. It shows that the process of adaptation can bring unexpected effects of negative nature associated with the expansion of the public sector.

Public policy outputs

Lithuania’s adaptation to the EU cohesion policy enhanced strategic planning, programming as well as monitoring and evaluation of public interventions into the economy. Although these principles allow designing higher quality interventions into the economy, their application to the management of domestic resources is limited. The multi-annual nature of EU assistance increased the volume of public investments and their certainty.
Also, the adaptation process contributed to the introduction of new policy objectives and instruments. For instance, new agricultural instruments were downloaded from the SAPARD regulation, while business support instruments were emulated from the experience of the EU member states. Despite the proliferation of strategic documents with plentiful ends, there is a lack of appropriate means to achieve them, in particular in the business sector.

Lithuania’s adaptation to the EU cohesion policy contributed to the better integration of different sectors of the economy into the overall development framework. However, the programming documents still resemble shopping lists of interventions rather than coherent strategies.

Moreover, Lithuania’s adaptation to the EU contributed to the development of a “project cycle” (in particular in the productive and human resource sectors) and a project-based management culture in the public sector. However, considerable resources are still allocated to finance various public administration institutions rather than separate projects. Since about 1,000 projects will be needed to absorb EU assistance from the structural funds during the period of 2004-2006, the need for the project cycle will increase after EU membership.

The adaptation to the EU cohesion policy involved the development of a national regional development policy - according to the new regional development legislation, regional development councils and institutions were set up at the regional level to co-ordinate the preparation of regional development plans and projects. However, after the re-orientation of PHARE towards a sectoral approach, the national regional development policy became short of financial means to achieve its ends.

Finally, the EU’s pre-accession assistance contributed to the redistribution of public resources inside the public sector. Increasing volumes of EU assistance after EU membership will increase the scope of redistribution among sectors of the economy ineligible (public administration, law and order, social security, defense, etc.) and eligible (the productive sector and services, human resource development and socio-economic infrastructure) under the structural funds as well as from ineligible to eligible expenditure inside eligible sectors of the economy (e.g. from ineligible current to eligible capital expenditure).

Results and expected impacts

The main result of Lithuania’s adaptation to the EU cohesion policy was the opening and completion of negotiations on Chapter 21 of the acquis. Also, the institutional and policy outputs mentioned above increased Lithuania’s capacity to manage EU assistance after accession to the EU. However, the capacity to implement the structural funds is still insufficient. The effective and efficient management of the structural funds as well as the achievement of
main aims and objectives of the EU cohesion policy will depend on the speed and volume of domestic changes in the future.

Some outputs and results of Lithuania's adaptation to the EU cohesion policy have not materialised yet. For instance, the NDP Concept Paper was not fully implemented - the EU funds were not fully integrated into the national investment and budgetary process. Also, more outputs and results will occur in 2004, after Lithuania's accession to the EU.

**Influence of domestic mediating factors on Lithuania's adaptation to the EU cohesion policy**

This part of the article discusses the influence of domestic mediating factors on the adaptation process. The number and influence of veto points on domestic change was limited due to the benefits of the structural funds to various societal groups as well as the priority of EU membership in the domestic political system.

Domestic formal institutions (in particular the European Committee under the government as well as the Ministry of Finance since 2001) played an important facilitating role during the adaptation process. These institutions provided their material and ideational resources to the adaptation process and allowed overcoming the resistance of the Ministry of Interior during the preparation of the NDP Concept Paper.

After the adoption of the NDP Concept Paper the logic of adaptation to the EU cohesion policy became more “appropriate” - the Ministry of Finance, which is responsible for the budget and the State Investment Programme, relied on an “investment” logic, while the Ministry of Interior, which is responsible for sub-national governance, relied on a logic of regional development, which became incompatible with the logic of the EU cohesion policy after the introduction of a centralised approach for the management of the structural funds since 2001.

Also, the adaptation process contributed to shifting the balance of power among main actors in the domestic policy process. For instance, a combination of the new function of co-ordinating the structural funds and a strong leadership of minister Grybauskaitė turned the Ministry of Finance from an “accountants” ministry into the most powerful ministry in the Lithuanian cabinet. The empowerment of the Ministry of Finance forced other actors to follow its direction during the adaptation process.

Finally, learning was an important tool of facilitating domestic change. For instance, learning increased knowledge and skills of various actors about the EU cohesion policy, thus increasing their capacity to design and implement
more appropriate decisions. However, the unstable nature of Lithuania’s civil service put a constraining effect on the continuity of new knowledge and skills. Also, new skills and knowledge acquired during the adaptation process contributed to the emergence of new interests and preferences, e.g. there was a mobilisation of various business groups to absorb EU assistance.

**Conclusion**

The conclusion of the article summarises main results of the empirical research, assesses the empirical and theoretical implications of the research as well as discusses possible policy and institutional changes in the future after Lithuania’s accession to the EU and presents few questions for further research in the fields of domestic change in general and adaptation to the EU cohesion policy in particular.

The European Commission exerted most intensive pressure for adaptation through the monitoring of the accession process and membership negotiations, but other instruments played an important role as well. It is useful to note that the Commission co-ordinated the application of different instruments – for instance, the accession progress was linked to the allocation of EU assistance.

Domestic change was not limited to formal features of public policy (objectives, measures, sources of finance, etc.) and institutional set-up (institutions, divisions, functions, staff, etc.), but also included informal features of the policy process. However, the change of informal features was much slower.

Although the influence of the EU is frequently associated with the introduction of a Weberian model of bureaucracy in the candidate countries, the analysis shows that the EU’s influence in the cohesion area involved the introduction of New Public Management principles (establishment of policy implementation agencies, consultation with socio-economic partners, strategic management and project management, etc.).

Domestic factors mediated the process of domestic change. The limited number and influence of veto points as well as the role of facilitating formal institutions (factors of rational choice institutionalism) can explain the very fact of domestic change, but its dynamics can be better explained by various factors of sociological institutionalism (the culture, growing power of actors and learning). Although rational actors designed and implemented institutional and policy decisions, more appropriate culture, growing power of actors and learning (factors of sociological institutionalism) created more favourable conditions for domestic change.

Various characteristics of Lithuania’s adaptation to the EU cohesion policy show that the type of domestic change is similar to accommodation, when EU
requirements are accommodated with the national institutional set-up or policy without changing their essential features and underlying principles. There was no fundamental transformation of domestic institutional set-up and policies by the end of 2002.

The analysis showed that domestic change takes not only the form of accommodating existing policies and institutions to the requirements of the EU cohesion policy, but also involves the establishment of new policies and institutions. However, sometimes the establishment of new institutions and policies was not necessary for Lithuania’s accession to the EU, the management of EU assistance could have been better integrated into the national investment and budgetary processes.

Moreover, the analysis illustrated that domestic change was determined primarily by the interaction of EU-level actors (in particular the European Commission) and domestic actors rather than the mismatch of EU-level and domestic policies and institutions. Since the assumption of mismatch has limited explanatory power at least in the candidate countries, domestic change can be assessed by conventional approaches of political science (or public policy more specifically). Nevertheless, the assumption of mismatch can be more relevant to the area of the EU single market rather than redistributive policies.

Also, after EU membership some instruments of the EU’s influence will disappear (in particular monitoring the accession process), but the EU will retain some instruments of ex-ante (e.g. approval of the national programmes and large-scale projects) control in the EU cohesion policy. Also, the management of the structural funds will be subject to new instruments of the ex-post control (e.g. financial control and audit by the European Commission or the European Court of Auditors or the ex-post evaluation of national programmes organised by the European Commission).

In the future the agenda of adaptation studies can involve both case studies as well as comparative assessments of the EU’s influence and domestic change in other public policies (both redistributive and regulatory). Also, Lithuania’s accession to the EU in 2004 will bring the need to take into consideration the influence of new applicants on EU-level policy and institutional arrangements during the decision-making process. Moreover, the assessment of micro- and macro-economic effects of the EU regional policy in Lithuania can attract higher attention in the future.
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FACTORS CAUSING GOVERNMENT (IN)STABILITY: THE CASE OF CENTRAL AND EASTERN EUROPE

Mindaugas Kluonis

Introduction

The government stability issue is mentioned almost in all studies concerning the functioning of political system, but specialised studies investigating the causes of government termination are still rare, especially when we talk about post-communist countries. The efficiency of government social and economical policies is briefly discussed in the European Bank for Reconstruction and Development report on transition issues. Philip’s Harfst’s research on government stability in post-communist countries partly fills the gap by analysing government stability in Central and Eastern Europe, but Harfst also concentrates on the impact of parliaments, presidents and parties without testing the adequacy of variables. There is no separation of democratic transition and consolidation periods in Harfst’s (and other) studies, so their results are doubtfully precise, because the transition and consolidation periods differ in their logic and features.

The above mentioned shortcomings in government stability studies stimulate us to differentiate the factors potentially affecting government stability level by identifying the most important ones. This is the main goal of the research below.

1. Potential factors influencing government stability and their operationalisation

Configuration and fragmentation of parliament covers such variables as:

1.1. Configuration and fragmentation of parliament

Configuration and fragmentation of parliament covers such variables as:

a) Number of effective parliamentary parties;
b) Parliament fragmentation;
c) Number of the axes of the main cleavages;
d) Opposition index.
Parliament fragmentation is an important variable in investigating government stability, because parliament fragmentation is thought to be one of the key factors determining whether a government is likely to be stable or not. Generating the support for a government is more complicated if the parliament is very fragmentated and there are many relevant parties in the parliament. In that case the government must reconcile more interests. The fragmentation index is obtained by the formula:

\[ F = 1 - \sum p_1^2 \]

(\(p_1\) - the share of seats of party has in the parliament).

The number of effective parliamentary parties is obtained by Laaks-Taagepera's formula:

\[ N = \frac{1}{\sum p_1^2} \]

(\(p_1\) - the share of seats of party 1 has in the parliament).

The share of seats owned by the left and the right indicates the ideological structure of the parliament. The presumption made suggests that the government would be less stable if leftists' and rightists' share of the parliamentary seats is about the same when comparing with the parliaments dominated by either left or right wing parties. On the other hand, this presumption might sometimes be misleading, because the parties of the same political wing could compete with each other even more severe than with the parties of another political wing. According to Timothy Frye\(^4\), the party systems are centripetal and little polarised in Central and Eastern Europe. The antisystem parties seldom enter the parliament. Such situation makes rainbow (left - centre - right) and left - right (excluding centrists) coalitions possible. The empiric data\(^5\) confirm Frye's proposition, so we may presume that the ratio of leftists and rightists has no impact on government stability because of non-existing polarization, but it is still worth investigating if there is a correlation between government stability level and the number of the main cleavages axis. The opposition index demonstrates the ratio of parties which should not support the government and the parties which should (at least because of similarity in their declared political goals) do that. It is the difference of leftists and rightists share of parliamentary seats and is obtained using the following formula:

\[ \frac{|\sum L\% - \sum R\%|}{P} \]

(\(P\) - number of parliaments during the period covered in research, \(L\) - the share of seats of the left wing parties in every parliament, \(R\) - the share of seats of the right wing parties in every parliament. The smaller the meaning, the smaller is the possibility to generate support from the parties without being a part of a ruling coalition).
Taking in to account the fact that ideology had formed the axes of main cleavages in post-communist countries, we are using two cleavages (communism – anti-anticommunism – anticommunism and nationalism – cosmopolitanism) for identification of leftists and rightists. Anticommmunism and nationalism are the main features of the right as the left is more cosmopolitan and less hostile to communist legacy (if hostile at all). Intensive cleavages could polarize party system with creating permanent opposition at the same time decreasing a possibility of forming a long-lasting government. In such case the party coalitional potential diminishes, because of the ideological disagreements. We presume that governments formed by large number of parties would be less stable than those formed by one or a few ones, because the government then should reconcile too many disagreements, especially when divided by ideological lines.

1.2. Governments' features

Governments' features cover such variables:

e) Government's support type (single party majority, single party minority, minority coalition, minimal winning majority coalition, surplus majority coalition, temporary caretakers government);

f) The partial status of the Head of State, his ideological position and his support for a government, his powers on government formation;

g) The stability of parties and coalitions;

h) The number of the parties in a government and their distribution along ideological lines;

i) The status of the Head of Government in the party or coalition the government is formed by.

The variables are chosen presuming that the stable support for a government would be proportional to the share of seats obtained by the parties with the same ideological view, even if those parties do not have any portfolios in the government. Such support is more likely in the centripetal party system than in the centrifugal one, because then the opposition to the personal configuration of a government rather than to its policies is likely to emerge. It is very difficult to gather the data on the polarization of party systems and the concept itself is difficult to operationalise, so this variable won't be included in the research. We also presume that the coalition governments would be less stable than the single party ones, and that minority or caretaker's government would be less stable than the majority one, because previous two always risk loosing the parliamentary support. The share of the seats in the government the composing parties have is used in operationalizing government support type. The exceptional case is caretaker governments, composed of non-party ministers so making the undistinguishable their type of support. Usually the governments
of this type are temporary and act until the parties’ government is formed. The necessity of all government composing parties to have the parliamentary support is the criteria when deciding whether majority coalition government is minimal winning or surplus one.

The rate of coalition’s stability is obtained as the percentage of governments terminated after one or more parties had left the government and ruling coalition. Their stability value for separate countries is decided upon regional average (0 – if lower, 1 – if higher). The advanced coalition stability rate includes also the governments terminated because of the “voluntary” resignation of the Head of Government called out by the disagreements within governmental parties.

The next hypothesis suggests that the higher the number of parties composing the government the more unstable the government is, especially in cases when all those parties are necessary to support the majority in the parliament, especially in cases when they have a close share of seats, because then the collapse of a coalition is much more likely to occur. The wish in seeking own interests in account of the coalition may be reduced in the centrifugal party systems, because some parties could be isolated if the coalition would collapse. So the centrifugal party system has a various impact on government stability: it could be an obstacle in a government formation process, but it could also be the maintainer of a coalition after a government is formed. Also we may presume that caretaker governments would be more stable than the minority ones, because there are no forces interested in terminating it until the agreement on new parties’ government is reached.

The average number of parties composing government is obtained using the following formula:

\[ V = \frac{\sum p_1}{k} \]

(A – average number of parties in government, \( p_1 \) - number of parties composing certain cabinet, \( k \) – number of the cabinets during research period).

The average number of ideological divides, reflecting government’s ideological composition is obtained also by the similar formula.

The ideological composition of governmental parties is closely related with coalition stability issue. The domination of single-ideology governments in Bulgaria, Hungary, Lithuania and Poland is a consequence of cleavages in their party systems. Parliament fragmentation and slight cleavages in their party systems is the reason of multi-ideology coalitions’ domination in Estonian, Latvian, Romanian and Slovenian political scenes. The single-ideology governments’ domination in Czech Republic is connected with domination of Civic Democratic Party (until 1997), the weakness and isolation of left opposition, the absence of strong cleavages in party system.

We may expect that government led by a coalition or party leader would
last longer because there would be no people able to occupy the Head of Government office and seeking to terminate government. The strong leadership increases government survival possibilities, especially when the constructive vote of no confidence is required. Also the government stability is higher when only a few personalities with leader features compose it. The presidents and prime ministers who practically lead the party or coalition are considered as their leaders. The governments supported by the president are those, which supported candidate has won the presidential elections or those in which formation the president was actively involved. When evaluating leadership, the efforts to remove party leaders and the results of such efforts are also taken into account. In the case of coalition the leader of coalition is considered the leader of the party sharing no less than 50% of coalition’s seats in parliament.

1.3. Constitutional variables

Constitutional variables cover such variables as:

j) The type of political system (ascertained evaluating parliaments, presidents and prime ministers powers in government formation and termination);

k) Presidents executive powers;

l) Governments collegiality;

m) Parliament stability index.

The impact of political system on government’s stability reveals itself through president’s possibilities influencing government’s termination. The assumption that governments would be more stable when president’s powers are weak could be made, because strong president powers vis-à-vis government allows him to press government to implement his policies, making it deviate from the course the parliament had agreed. It also means that a government should combine more interests and that also increases the danger of its termination. But we should note that there is no country in Central Eastern Europe, where the president could terminate the government unilaterally without the consent of the parliament, so the Head’s of State powers are more important in the government formation process, not in the termination of one. Significant presidential powers in the government formation process let us also expect the less stable governments, because the president could make the parliament (especially if unlimited possibility of dissolution exists) to confirm his candidate for the office of the Head of Government (usually not the leader of the ruling party or coalition) so increasing his presidential powers by creating faintly supported government. But the main source of president’s influence is his partial powers, because the configuration of these powers allows turning mentioned efforts. We assume that the governments would be more stable in those countries, where the presidential and parliamentary elections coincide
with each other, because it diminishes the possibility of cohabitation while usually the presidents and parliaments majority’s ideological position is the same in such cases, reducing the confrontation possibility between a government and a president. If the parliament is very powerful vis-à-vis government, then we may expect less stable governments, because then the parliament leads the government. Harfst hadn’t found the significant correlation between government stability and the parliament’s powers, but noticed that this relationship is more important in democratic political systems\(^{10}\). This statement would be checked during our research by investigating if there still is no connection between the parliament’s power index and government’s stability during the period of normal politics (1994 – 2002)\(^{11}\), seeking to clarify whether not separating the transitional and consolidation periods had impact on Harfst’s conclusion.

Parliament’s stability index shows us how many parliaments had lasted all their term during 1994 – 2002. The low index of parliament’s stability decreases government stability level, because every parliamentary election is leading to termination of a government. Parliament stability index demonstrates to what extent government stability level is stipulated by parliament’s stability, because instability of the parliaments could be very important factor causing government instability, especially in democratic political systems.

We presume that strong Heads of Government powers vis-à-vis cabinet members increases government stability, because then prime minister is able to change the members of government (in the limits of coalition) avoiding the conflicts within government. When such power is limited the conflicts stays in a government decreasing its unity and frequently leads to government’s collapse, especially if the Head of Government is rather authoritarian person. The possibility of reshuffles also allows increasing the popularity of a government firing unpopular ministers. But we must take into account that frequent change of ministers, especially when they are the leaders of coalition parties could also lead to government’s termination if the conflict reaches the parliament.

When evaluating the constitutional powers of the actors to government formation and termination we refuse dividing them into parliamentary and semi-presidential ones, following the evaluation of actors constitutional powers using the methodology developed by Hellman&Tucker and Harfst\(^{12}\), because it allows us to evaluate the constitutional powers more accurately and demonstrates their distribution among the Head of State, the Head of Government and the parliament also enabling us to separate the types of political systems not only by powers of the president vis-à-vis parliament, but also by the governments powers vis-à-vis parliament and president. We are going to investigate only the powers related with government’s formation, termination and reshuffles excluding other powers of actors, except the executive powers of the president, because it could be the potential source of conflict.
The government collegiality would be defined by parliament’s possibility to dismiss separate ministers and the power of the prime minister would be defined by owning the powers the other ministers don’t have. If the Head of State has no executive or legislative powers then the executive is not divided.

1.4. Social and economical variables

This group of variables covers such variables as reform index, corruption index and economical policy effectiveness index, because they are most related with government stability issue. This group of variables could be very large, but most of them cover the characteristic of political systems rather than the government stability issues and are not included into research. The economic policy effectiveness index demonstrates to what extent government succeeded in seeking main macroeconomic goals—low inflation and unemployment rates. We must note that this index doesn’t completely depend on government’s performance and it is determined by general economical situation in the country during the term of that government, but the rapid growth of inflation or unemployment causes voters dissatisfaction diminishing the chances of the ruling parties in the next parliamentary elections. Such situation is prompting the disintegration of ruling coalition when minor partners are trying to avoid the responsibility for the government’s performance. Also the voluntary government’s resignation is more likely before the coming crisis, trying to save the popularity of the party it is formed by. The government’s economical policy effectiveness index is counted by the formula:

\[ E = \sum I + \sum U / T \] (months)

(E – economical policy effectiveness index, I – percentage change of inflation per year, U – percentage change of unemployment per year, T – period covered in the research (in months). If the value is small the effectiveness is high and vice versa).

The government could delay reforms avoiding their costs and so increasing the economical policy effectiveness index. To avoid this we are using the reform progress index, taken from Herbert Kitschelt. The index reflects the situation in 1999, in the middle of the research period. The reforms may decrease government instability, because of their costs, but also they could increase it too, after they are implemented.

The last variable of this group is the corruption index. It also reflects the situation in 1999, because there is no data on some countries for the earlier period. Corruption index affects government stability through scandals and we presume that low corruption index increases government stability.
2. The analysis of potential factors: main factors and their impact

2.1. Government stability level and factors determining it

We'll try to identify the main factors determining the government stability level during consolidation period (1994 – 2002) in further research. The correlation coefficient between every variable and government stability level would be counted. The factors are understood as independent variables, the government stability level – as dependent one. The government stability level is counted using interval and duration methods\(^{19}\). The bivariate analyses are made for both results separately. The most part of values are presented in percentage trying to make them clearly comparable. The regional average is obtained counting the sum of values divided into number of cases\(^{20}\). Such counting way is chosen because it doesn’t cause a problem of different weight of the separate countries\(^{21}\).

The first concept is that government stability level demonstrates the ability of a parliament to support a government the entire term. Government stability level by interval method is the percentage of the cabinets terminated because of the parliamentary elections during the certain period. Government stability level by duration method demonstrates the coincidence between parliaments’ nominal term and government’s real term.

Table 1 demonstrates that governments are stable in Czech Republic, Hungary and Slovakia and instable in Estonia, Latvia, Lithuania, Poland, Romania and Slovenia by both methods. The Bulgarian case is an exception,

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of governments</th>
<th>Government stability level (interval method)</th>
<th>Duration of government comparing with parliamentary term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>4</td>
<td>25</td>
<td>48.4</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>4</td>
<td>75</td>
<td>59.3</td>
</tr>
<tr>
<td>Estonia</td>
<td>7</td>
<td>28.6</td>
<td>31.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>3</td>
<td>100</td>
<td>70.7</td>
</tr>
<tr>
<td>Latvia(^{22})</td>
<td>12</td>
<td>25</td>
<td>18.7</td>
</tr>
<tr>
<td>Lithuania</td>
<td>7</td>
<td>28.6</td>
<td>29.3</td>
</tr>
<tr>
<td>Poland</td>
<td>5</td>
<td>40</td>
<td>39.9</td>
</tr>
<tr>
<td>Romania</td>
<td>8</td>
<td>25</td>
<td>25.2</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4</td>
<td>75</td>
<td>56.2</td>
</tr>
<tr>
<td>Slovenia</td>
<td>6</td>
<td>33.3</td>
<td>41.2</td>
</tr>
<tr>
<td>CEE</td>
<td>60</td>
<td>45.55</td>
<td>42.07</td>
</tr>
</tbody>
</table>
Table 2. Correlation coefficients between factors and government stability level

<table>
<thead>
<tr>
<th>Variable</th>
<th>Correlation coefficient</th>
<th>Interval method</th>
<th>Duration method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective parliamentary parties index</td>
<td>-0.20</td>
<td>-0.44</td>
<td></td>
</tr>
<tr>
<td>Parliament fragmentation index</td>
<td>-0.07</td>
<td>-0.38</td>
<td></td>
</tr>
<tr>
<td>Cleavages axis number in party system</td>
<td>-0.41</td>
<td>-0.40</td>
<td></td>
</tr>
<tr>
<td>Opposition index</td>
<td>-0.14</td>
<td>-0.14</td>
<td></td>
</tr>
<tr>
<td>Coalitional governments %</td>
<td>0.37</td>
<td>0.24</td>
<td></td>
</tr>
<tr>
<td>Single party governments %</td>
<td>-0.20</td>
<td>-0.32</td>
<td></td>
</tr>
<tr>
<td>Non party caretakers governments %</td>
<td>-0.26</td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td>Majority governments %</td>
<td>0.30</td>
<td>0.27</td>
<td></td>
</tr>
<tr>
<td>Minority governments %</td>
<td>0.10</td>
<td>-0.29</td>
<td></td>
</tr>
<tr>
<td>Average number of parties in government</td>
<td>0.09</td>
<td>-0.18</td>
<td></td>
</tr>
<tr>
<td>Ideological government composition</td>
<td>-0.35</td>
<td>-0.54</td>
<td></td>
</tr>
<tr>
<td>Corrected coalitions stability</td>
<td>-0.71</td>
<td>-0.76</td>
<td></td>
</tr>
<tr>
<td>Head’s of State status in the governmental party or coalition</td>
<td>-0.35</td>
<td>-0.47</td>
<td></td>
</tr>
<tr>
<td>Head’s of State support to government</td>
<td>-0.43</td>
<td>-0.38</td>
<td></td>
</tr>
<tr>
<td>Head’s of Government status in the governmental party or coalition</td>
<td>0.56</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>Parliament domination</td>
<td>0.07</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>Head’s of State domination</td>
<td>-0.29</td>
<td>-0.01</td>
<td></td>
</tr>
<tr>
<td>Government’s domination</td>
<td>-0.36</td>
<td>-0.60</td>
<td></td>
</tr>
<tr>
<td>Powers concentration in the hands of government</td>
<td>0.17</td>
<td>0.11</td>
<td></td>
</tr>
<tr>
<td>Government collegiality</td>
<td>0.53</td>
<td>0.40</td>
<td></td>
</tr>
<tr>
<td>Prime ministers power comparing to ministers</td>
<td>-0.09</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Parliament stability index</td>
<td>-0.19</td>
<td>0.10</td>
<td></td>
</tr>
<tr>
<td>Government economical policy efficiency index</td>
<td>-0.37</td>
<td>-0.03</td>
<td></td>
</tr>
<tr>
<td>Reforms index</td>
<td>0.56</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td>Level of corruption</td>
<td>0.26</td>
<td>0.27</td>
<td></td>
</tr>
</tbody>
</table>

because it has low government stability level if we are using the interval method, but high one if we are using the duration method. Such differences could be explained according the specifics of Bulgarian Constitution, which requires that after the termination of the government formed by majority (if the majority does not replace it with other one) the second major party in parliament should form new government. Actually it means that the opposition is going to form a government, because there was practically two parties system in Bulgaria.
but the opposition usually wasn’t interested forming the minority government, because after early election it could form the majority government. The smaller parties were next in the government formation line, but they usually had failed forming a minority government\(^{24}\), because there was not enough support in the parliament. The outcomes were dissolution of the parliament and the new parliamentary elections. So the parliamentary elections seldom are the reason of the government termination, but the parliament’s dissolutions because of the government termination is rather frequent phenomena in Bulgaria. Such situation determines the differences of Bulgarian government’s stability levels if we are using different methods. There were only four normally formed governments in Bulgaria during 1994 – 2002\(^{25}\); so Bulgarian governments doubtfully could be described as instable ones.

Table 2 demonstrates the correlation coefficients between government stability and 25 factors distinguished in the first part.

As we could see in the table, the main factors influencing government stability are the coalition stability and the status of the Head of Government. The impact of those two factors on government stability we’ll discuss further in this article.

2.2. The stability of governmental coalitions

The disintegration of the governing coalition or dissensions within them is the reason for termination of 32% of the governments in Central Eastern Europe during 1994 – 2002. The highest correlation is noticed between coalition and government stability. The countries with stable governments have stable governmental coalitions too. The percentage of governments terminated after disintegration of the ruling coalition doesn’t exceed 25% in the mentioned countries comparing to 50 – 67% in the countries where government stability level is low. Only Lithuania and Poland have instable governments having stable ruling coalitions. Link between government and coalition stability demonstrates that parliament seldom claims vote of no confidence to the governments if they are firmly supported or if there is no united opposition seeking government’s termination. Also the parliament is avoiding terminating the government, because it could lead to the early elections of the parliament itself. When governmental coalition is stable, termination of one government means the formation of new one by the same coalition. The alternative is parliament’s dissolution. The governments’ positions are becoming stronger when there is little time until parliamentary elections left\(^{26}\), because the willingness of opposition to form it’s own cabinet decreases while it expects to form its own majority cabinet after elections and usually in more favourable conditions (or to strengthen its’ positions at least). When coalitions are instable
the mentioned advantages becomes shortcomings, especially if there is lacking the dominating party in the parliament and the parliaments term is not coming to end. Then the disintegration of governmental coalition allows forming a new government by the opposition including some parties of former coalition.

The cleavage between communism and anticommunism allows us to explain why there were stable coalitions in Bulgaria, Hungary, Lithuania and Poland. There were two rather stable blocks composed of anticommunists and anti-anticommunists competing against each other until 2001. Their hostility was based on ideological conflicts during transition period and that became the main obstacle for cooperation, despite the fact that the economical programs of leftists and rightists clearly differed only in Bulgaria27. Such situation practically created the two parties system in those countries and though despite of less correlation between government stability level and opposition index or number of cleavages axes, those variables are influencing the party system and government stability through it.

The similar situation formed also in Slovakia, but here the main cleavage was authoritarian nationalism versus democratic cosmopolitism. This cleavage still exists determining the multi-ideological coalitions formation trying to isolate the pro-authoritarian forces led by former Prime Minister Vladimir Meciar. This cleavage practically divides the Slovakian party system into two blocks.

The cases of Hungary, Bulgaria and Slovakia confirm the wide known hypothesis about government stability connection with two parties (or two blocks) system, but the cases of Lithuania and Poland denies it. Taking into account the fact that Bulgarian, Hungarian and Slovakian governments usually were led by coalition leaders and Lithuanian and Polish ones were not (the second most important correlation) we may presume that the status of the Prime Minister has also significant impact on the government stability.

The different situation emerged in Czech Republic where the leftist opposition was weak and the Civic Democratic Party, led by Vaclav Klaus dominated the political arena. Only Tosovsky's government was formed without Klaus' approval28. There was the party system with dominating party in Czech Republic during research period. The domination of Civic Democratic Party diminished after the fall of centre-right coalition in 1997. Klaus' case demonstrates the importance of strong leader in maintaining coalition stability.

The various coalitions supported by very fragmented parliaments prevailed in Estonia, Latvia, Romania and Slovenia. The government stability correlation with parliament fragmentation is rather important, because the strong fragmentation of parliament in the combination with the absence of strong cleavages is increasing government instability by making easier the formation
of new government if the acting one is terminated. Such situation frequently turns parliaments and governments into the struggle of personal and parties’ interests’ arena. The unsuccessful Siim Kallas and Janis Krastins efforts on government formation in Estonia and Latvia on 1994, Victor’s Ciorbea’s struggle with Radu Vasile in Romania on 1998, Andrej’s Bajuk’s governments formation in Slovenia on 2000 are such examples. The existence of very unstable party system and centripetal tendencies are also increasing the government instability in mentioned countries.

2.3. The status of the Head of Government

The data presented in Table 3 demonstrates that government stability level is higher in those countries where a coalition leader leads government.

Table 3. The status of Heads of States and Heads of Governments in ruling coalitions

<table>
<thead>
<tr>
<th>Country</th>
<th>Status</th>
<th>President is the leader of government coalition (%)</th>
<th>Governments supported by President %</th>
<th>Prime Minister is the leader of government coalition (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>0.0</td>
<td>0.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>0.0</td>
<td>50.0</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.0</td>
<td>25.0</td>
<td>75.0</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>20.0</td>
<td>20.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.0</td>
<td>0.0</td>
<td>66.7</td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>28.6</td>
<td>71.4</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>0.0</td>
<td>14.3</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.0</td>
<td>75.0</td>
<td>75.0</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>87.5</td>
<td>87.5</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>0.0</td>
<td>33.3</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>CEE</td>
<td>12.6</td>
<td>37.7</td>
<td>33.3</td>
<td></td>
</tr>
</tbody>
</table>

The dependence mentioned above is rectilinear if we are using the duration method measuring government stability level. We presume that government is stable only if the coalition leader leads it. This hypothesis is valid for all countries with high government stability level covered in the research and to all with low one, excluding Slovenia.

The domination of the President Milan Kucan and the Prime Minister Janez Drnovsek in Slovenian political arena explains Slovenia’s exception. Drnovsek occupied the office of Prime Minister for eight years leading the
Liberal Democrats Party the same time, which was the largest party in 66, 7% Slovenia’s ruling coalitions. President Kucan distanced himself from the political parties and did not try to intervene into activity of the governments. So the coalition stability was the main factor determining government stability level in Slovenia during the research period.

We could distinguish two groups among the states with low government stability level:

The unstable ruling coalitions without clear leadership are characteristic for Estonia and Latvia composing the first group. The very fragmented parliaments and very unstable parties create such situation. More as one party are dominating the government coalition because of absence of dominating party like in Slovenian case, creating unfavourable conditions for the emergence of the Head of Government as a coalition leader.

Lithuania, Poland and Romania are considered as semi-presidential political systems in scientific literature and compose the second group characterized by active involvement of the Head of State in government formation and termination. The leaders of ruling coalition usually occupy the presidents or parliament speakers post in those countries. The president rather actively participates in government formation and termination process using their partial powers. This is the way in which the president’s leadership in the ruling coalition decreases government stability linking the intra-party competition with the institutional one.

Conclusions

The results of the research demonstrates that the main factors determining government stability level are the existence of the stable coalitions and parties with strong leaders and the primacy of the Head of Government status over ruling coalition comparing to the Presidents and the parliament speakers. The other variables less correlate with government stability level but have significant impact on the main factors, often indirectly affecting the government stability level.

The main groups of variables affecting government stability are the features of the party system and the ruling coalition. The importance of the institutions and the social-economical factors is less significant.

Harfst’s conclusion about the importance of the party system rather than institutional structure was confirmed by this research. Contemporary politics in fact is party politics, so the concentration on measuring powers of institutions is not the proper way to explore the government stability level. Contrary to Harfst’s research this one concludes that fragmentation of parliaments is less important than coalition and parties stability. Governments
formed by stable coalitions without firm support in the parliament are likely to survive longer than formed by unstable ones even if they are supported by parliament, because the parliaments are not inclined to terminate governments themselves. Coalition stability is higher if the possibilities of forming alternative ruling coalition are low. The importance of coalition’s features for government stability level in Central Eastern Europe is determined by almost parliamentary government formation procedure. It also increases government dependence on political parties.

Table 4 illustrates the main conclusions of the research. The combination of stable coalitions and Head of Governments leadership over it determines high government stability level and the lack of one or, especially, both those factors decreases government stability level.

Table 4. Countries distribution according the coalitions stability and status of the Head of Government

<table>
<thead>
<tr>
<th>Variable</th>
<th>Head of Government is the leader of ruling coalition</th>
<th>Head of Government is not the leader of ruling coalition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable coalitions</td>
<td>Bulgaria, Czech Republic, Slovakia, Hungary</td>
<td>Lithuania, Poland</td>
</tr>
<tr>
<td>Instable coalitions</td>
<td>Slovenia</td>
<td>Estonia, Latvia, Romania</td>
</tr>
</tbody>
</table>

The unstable government causes slow reforms and fails in carrying out the party programs and promises. That decreases the voters trust in parties, increases the tendencies of absenteeism and electorate volatility, decreases political and party system stability estranging them with citizens and so decreasing their trust in democracy. Seeking to increase government stability the parties should clearly define their interests and be ready to take the responsibility for governments activities. The stable government is hardly imaginable without a firm leader, able to control their parties and the members of government. The personal struggle is rather important factor decreasing government instability especially in Baltic States, Poland and Romania.

The final conclusion is that stable governments require stable program parties, stable party system, stable coalitions led by stable leaders. Such features would guaranty that struggle inside parties won’t become an institutional one and won’t be threaten the governments stability.
Factors causing governments (in)stability

NOTES AND REFERENCES


5. The participation of Latvian Social Democratic Alliance in the Kristopan’s government in 1999 and the participation of Romanian Democratic Party and Romanian Social Democratic Party in the Ciorbea’s, Vasile’s and Isarescu’s centre-right governments in 1996–1999 are the examples.

6. Also this variable belongs and to the constitutional variables and its impact would be discussed further below too.

7. Right–centre governments are the most often in Estonia and Latvia, the “rainbow” coalitions – in Romania, Slovenia and Slovakia (after 1998). Other countries have switching left and right wing parties’ governments.

8. An example: After fall of the Klaus’ government in 1997, led by the clear leader there was no person who would have such influence s/he could occupy the office of the Head of Government (despite of the fact that some potential candidates could refuse this office avoiding difficulties in fighting the economics crisis (as Social democrats did), because it was going to ruin their perspectives) and the government led by non-partite Joseph Tosovsky was formed until the early elections were held. The different situation emerged in Romania on 1998. The governmental coalition there had no clear leader and rather popular former Prime Minister Petru Roman continually competed with Prime Minister Victor Ciorbea for influence on government. This competition ended with Ciorbea’s government’s termination and formation of new, also short-lasting government led by Radu Vasile from the same National Peasants Christian Democratic Party.

9. Typical example of such situation is the “presidential” government’s formation lead by Rolandas Paksas in Lithuania on 1999.


Such variables as political culture, historical legacy, administrative capabilities, democracy level and so on could be in this group. Most of them are difficulty measurable. Also look in Kitschelt H. Post-Communist Economic Reform: Causal Mechanisms and concomitant properties. - Paper prepared for presentation at the 2001 Annual Meeting of the American Political Science Association, San Francisco, August 29 – September 2. The paper results from collaboration with Edmund Malesky, Duke University.

That's partly explains the unwillingness of the opposition to form a minority governments before the depression in favour of the early parliamentary elections instead. Bulgaria and Czech Republic (1997) are such examples.


$V = \sum \text{values}(%)/10$ (number of countries)

The weight of separate countries would disperse unequally, because of different number of governments in coinciding regional average (Hungary - 5%, Bulgaria, Czech Republic, Slovakia - by 6,7%, Poland - 8,3%, Slovenia - 10%, Lithuania, Estonia - by 11,7%, Romania - 13,3%, Latvia - 20%). It is the reason why regional average is counted for separate countries.

The percentage of the coincidence of government and parliamentary terms in Latvia is counted for the four-year parliamentary term. Counting for three-year term the coincidence value would be 25%, the joint (1994-1998 – 3 year term, 1999-2002 – 4 year term) coincidence value is 21,5.

The index of effective parliamentary parties was 2, 5, but the M ovement for Rights and Freedoms was the national minority’s party and practically often opposed to both main Bulgarians parties. The national issue was very important in Bulgaria. For further information see Kitschelt H., Mansfeldova Z., Markowsky R., Toka G. Post-Communist Party Systems: Competition, Representation and Inter-Party Cooperation. – Cambridge University Press, 1999.

The “presidential” Berov’s government, supported by socialists and M ovement for Rights and Freedoms in 1992-1994 was an exception.

The others were acting governments formed by President for the inter-elections period.


The formation of Social Democratic Parties minority government led by Milos Zeman in 1998 was possible only after Klaus’ approval. East European Constitutional Review, Vol. 7, Nr.3. – 1998.
29 At least one government was terminated because of the intervention of the Head of State in those countries.


31 Countries with high government stability level are marked in bold.
INTERNATIONAL RELATIONS
AND EURO-ATLANTIC INTEGRATION PROCESS
Introduction

The December 13, 2002 date will remain as one of the key dates in the history of the European Union (EU). This was the day when the EU completed accession negotiations with most candidate Central and Eastern European countries (except Bulgaria and Romania), Cyprus and Malta. The Copenhagen Summit of December 2002 marked the end of an important stage in the process of European integration that had been gradually erasing the former Cold war division of Europe. It paved the way to creating an EU of 25 member states with the population of about 450 million and an economy of above $9.3 trillion.

The completion of EU accession negotiations for Estonia, Latvia and Lithuania has an additional political significance for the Baltic region. It symbolizes a successful end of the successive stages of integration into the EU. The beginning of 1990s, when the Baltic States regained their independence and soon expressed their intentions of becoming members of the EU, was marked by the hesitance of the Union regarding the accession status for the Baltic States. It was only by 1994 when due to combination of international factors, internal EU debates and changes in the Baltic States that these countries were given the status of prospective EU members and joined the group of Central European candidates. In 1995, following other associated countries, they officially submitted their applications to join the EU.

Later, when the accession negotiations were opened first in 1998, Estonia was invited to start negotiations with the “first wave” countries, while Lithuania and Latvia were left in the “second wave” of the candidate countries. They started negotiations only two years later, in February 2000. The catching up in the accession negotiations to conclude them together with the other best prepared candidates, an increasing level of economic integration between the EU and the Baltic states, the progress in completing the transition reforms and having the fastest growing European economies in recent years are both a story
of political success and the new challenges that open up with the next stages of European integration.

This paper focuses on presenting the process and patterns of a particular EU accession part - accession negotiations. It presents a detailed discussion of the EU accession negotiations with the Baltic states - countries that have been relatively neglected in the literature on the accession of Central and Eastern European countries into the EU. It discusses the main features of accession negotiations, their results, and concludes with possible further developments in the EU after the enlargement. Although the main focus is on the Baltic states, many observations could be well applied to the analysis of the other candidate CEECs. It can be noted that although, the European Commission has been publicly advocating the principle of differentiation based on individual progress of the candidate countries, many features of the enlargement policy as well as the concrete negotiating demands were of a horizontal nature and therefore were applied in the same manner to all candidate CEECs. Also, looking into a group of three countries allows identifying the factors that account for both the divergences and similarities in the outcomes of negotiations.

In presenting the material on accession negotiations, the paper employs the arguments of scholarly works on EU accession negotiations, preference formation and linkages between the domestic and international levels of politics. It suggests a number of refinements to supplement the dominant perspectives applied to the EU accession negotiations. The main arguments of the paper could be summarized as follows:

(i) accession of the Baltic states into the EU from a purely economic point of view can be seen as a “second best” scenario, in particular, if evaluated in terms of trade creation and trade diversion, although in terms of redistributive effects, it does create large groups of winners in these countries;

(ii) the main motives of EU accession (and the willingness of candidate countries to undertake greater adjustment efforts) can not be limited to the functional needs of economic interdependence but, as the cases of the Baltic states demonstrate, are closely linked with the political and security factors;

(iii) the arguments used and the actors involved in the negotiations depend on the particular issue (regulatory or directly redistributive) and the level of bargaining ranging from high level policy makers using political rhetoric (as in the cases of changing the Russian transit regime and closing down the Ignalina nuclear power plant) to technocratic debates of bureaucrats often involving interest groups (as in the cases of adopting EU product or process standards), shifting between these levels can in
itself become a bargaining strategy in order to change the nature of the negotiations (as demonstrated by the efforts of the European Commission to bring the discussion of the Russian transit regime to the technocratic level);

(iv) the dissatisfaction with the results of accession negotiations in the background of popular votes causes spillovers into the domestic levels of politics with different actors involved trying to gain compensations or additional favors by using the issue-linkage strategies (farmers demanding price regulation or additional direct financial support by threatening to vote against EU accession); the bargaining strength of these groups is reinforced by the significance that the political elites attach to the EU accession and the perceived lack of scenarios alternative to the accession; the latter circumstance also provides incentives for other domestic actors to exploit the pre-referendum situation for their own gains (mass media linking the content of their messages to the level of funding provided to them by the institutions responsible for EU propaganda);

(vi) finally, the dynamics and the results of accession negotiations depend not only on the willingness of political elites (and interest groups) to undertake adjustment measures, but also on their capacity to negotiate and implement EU norms. The inability of the Baltic states to coordinate their negotiating positions during the first several years of negotiations as well as their limited knowledge of the EU acquis and internal coordination problems have all contributed to the higher adjustment costs of accession.

By presenting the material on the outcomes of accession negotiations, their likely causes and effects on further developments in the enlarging EU, the paper provides the insights that could further be developed into more general arguments. It concludes with potential developments in the EU after the enlargement.

**EU accession negotiations: actors and patterns**

From the start of the debates on European integration, its causes and mechanics, there have been constant debates between the scholars who assigned the dominant role to the political elites and scholars who emphasized the role of the societal groups which direct their activities to their national governments and/or supranational institutions. Although similar debates have not emerged yet in the context of EU accession negotiations, it can be argued that one of the defining features of the relations between the Central and Eastern European countries and the EU was the dominance of the political elites in the integrative efforts of these countries.
The start of political changes at the end of 1980s and the re-establishment of independence in the Baltic states was marked by a wide popular mobilization. However, the more concrete steps of economic reforms as well as undertaking projects like joining the EU have been for most of the decade a preoccupation of political elites and technocrats rather than societal groups. The fact that the accession into the EU has become the priority of these countries' policies before any significant economic integration took place illustrates the dominance of politically motivated elites and the symbolic meaning of integration into the EU as perceived by the wider public. The integrative efforts of the elites took place in the background of the interest groups mostly preoccupied with the changes in domestic legal and economic environment taking place during transition and relatively uninterested in the reduction of international transaction costs to boost their competitiveness. Moreover, the transition reforms undertaken during the 1990s resulted in the break down of previous channels of influence and temporarily reduced the capacities of the interest groups to organize and influence the policy making process. In this context of low incentives and low capacities to organize and lobby, the political elites and diplomats were relatively little constrained in their integrative policies (which at the time were seen as purely foreign policies distant from the domestic issues).

The start of accession negotiations gradually mobilized some of the interest groups to be directly affected by the EU acquis and/or businesses already trading with the EU. The role and influence of the domestic societal groups depended on the policy area (and the extensiveness of EU regulations), their incentives and capacities to collect information and organize. In the areas like agriculture, where EU regulation is extensive and the difference between EU's and candidate countries' norms is significant, the groups are organized and politically visible, their actual or potential role was significant (though not crucial when confronted with a limited flexibility on the part of the EU).

As some authors argue along the lines of liberal intergovernmentalism, the accession process strengthened the executive (negotiating team) in relation to the legislative institutions and general public. The EU accession negotiations of the Baltic states was mostly a matter of a small group of diplomats and policy makers motivated to conclude them as soon as possible and to catch-up with the best prepared Central European candidates. However, gradually in cases where the impact of EU accession was most visible, where motivated and capable of organizing groups were present, the accession negotiations became a subject of wider political debates. The responsiveness of negotiating teams to the wider concerns of legislators and society increased with the changing nature of the issues under negotiations (shifting from the legal alignment to the redistributive questions), as well as with the need to amend the constitutions in the parliaments, and with the ratification referendums approaching.
It has been argued that the accession negotiations as well as the overall relations between the EU and the candidate CEECs were characterized by the conditionality, i.e. the EU linking progress in accession of candidate countries with concrete requirements of meeting membership criteria, in particular the adoption of the acquis, often interpreted in a rather broad manner by the Commission. As it is well known, the rule that any country that wishes to join the Union has to accept its body of legal norms and principles (acquis communautaire) forms the basic principle of EU enlargement. This principle has been in force since the first enlargement of the EU (then EC) in 1973.

Another well known fact is that the EU is continuously developing new norms and policies. The important difference between the forthcoming and previous enlargements is that this time the acquis is larger (making about 80000 pages of text) and more demanding, while the resources (finances, qualifications, etc.) available in the candidate countries undergoing radical transition reforms throughout the 1990s was scarcer. However, the EU, represented by the European Commission, insisted that the principle “acquis and nothing but acquis” should be enforced. Although transition periods for a delayed implementation of some of the most costly (i.e. environmental protection) and politically sensitive (sales of agricultural land to foreigners) EU norms were allowed, the Commission made it clear that the number of transition periods had to be limited.

Moreover, as it is well known, this time the EU had more elaborate accession criteria in addition to this classical rule of adopting all EU acquis. These criteria known as Copenhagen criteria were presented in 1993. They include political criteria - having in place a democratic system characterized by the rule of law, protection and respect for the human rights and minority rights (the latter not part of the EU acquis), economic criteria - having a functioning market economy and capacity to compete in the EU’s internal market, and later supplemented by the criteria of administrative capacity. The meeting of the first - political criteria - became a precondition for the opening of the accession negotiations with a particular candidate country, while the meeting of the economic criteria as well as implementation of the EU norms was seen as a precondition for the actual accession. It was the failure of Turkey to meet the political criteria that was used as the main official explanation of the EU’s decision to postpone giving the date for the start of Turkey’s accession negotiations with the EU until December 2004.

The EU’s policy towards Central and Eastern European candidate countries was based on conditionality (linking the progress in meeting EU criteria with opening accession negotiations and, later, closing the negotiations chapters) and shifting the weight of adjustment to EU norms on the candidate countries.
(though EU provided financial and technical assistance to help meet EU accession criteria first in the form of Phare and in recent couple of years by introducing ISPA and SAPARD programs for upgrading infrastructure and supporting agricultural sector). The desire of the Central and Eastern European candidate countries to join the EU as soon as possible, the competition between the candidate countries in progressing towards EU accession encouraged by EU’s policy of differentiation, and a lack of understanding of EU norms have all reinforced the asymmetry of negotiating power between the EU and the candidate countries. This asymmetry gave EU more room in using the conditionality instruments and adding new conditions along the process of accession. These new conditions include a respect for national minorities criterion which is not part of the EU acquis but was introduced as a part of political criteria, gradual introduction of nuclear safety issues into the EU acquis after it had been brought into the EU agenda by the accession process, or the increasing emphasis on the actual implementation of EU norms and its monitoring before the accession.

The nature of EU enlargement and EU’s policy towards Central and Eastern Europe meant that the accession negotiations were limited to a rather narrow set of issue – transition periods for implementing EU norms, and some redistributive issues like support to farmers, less developed regions, border infrastructure, or balance between payments and receipts from the EU budget. Therefore many analysts and political actors in the Baltic states regard the EU accession negotiations as being somewhat different from most international negotiations, where all parties make concessions and move towards an acceptable compromise. In the case of EU accession, it is argued, the object of the negotiations is different from most other international negotiations. The body of rules to be adopted is much more extensive, and it is the candidate countries that must make the necessary institutional, economic and other adjustments needed while the EU only makes concessions on time and money needed for the adjustment (with some modifications of its policies and institutions undertaken in anticipation of enlargement in the Berlin summit of 1999 or Nice summit of 2000).

It can also be argued that the accession negotiations in terms of the character of the process are not different from other international negotiations, and the willingness of the parties to adjust was a function of the anticipated benefits of enlargement. As some scholars recently stated, “those countries that gain the most by engaging in more intense interstate cooperation — more precisely, those for whom cooperation is most attractive relative to unilateral (or mini-lateral) policy-making — have the most intense preferences for agreement.” It is widely agreed that the enlargement is going to be a win-win game with both
the EU and the candidate CEECs gaining from it, but the gains from accession will be relatively larger for the candidate countries\textsuperscript{10}. Therefore, it should not be surprising that the willingness to adjust by the candidate countries was larger than in the case of the EU. The EU accession negotiations seen from such a perspective are just like any other international negotiations where the anticipated balance of costs and benefits of the cooperative arrangement determines the willingness to adjust and the bargaining power.

Although this general argument regarding the character of negotiations is adopted in this paper, several important qualifications seem necessary to understand better the accession negotiations with the Baltic states. First, the asymmetry of benefits and therefore the willingness to adjust in the process of negotiations is linked by Moravcsik and Vachudova to the degree of economic interdependence and the benefits arising from the liberalization of trade. However, as it was stated before, joining the EU became a foreign policy priority of the Baltic states some time before the degree of economic interdependence reached any substantial levels with the EU becoming the main trading partner of those countries\textsuperscript{11}. Although it could be argued that overall expectations regarding the economic benefits of accession could have acted as an important motive for the integrative policies, however, there is little evidence in the case of the Baltic states in early 1990s to support this argument.

Second, for the Baltic states, in particular Estonia, which during the early stages of transition established relatively liberal trading regimes, the accession into the EU has a rather unclear balance of trade creation and diversion. Estonia, which during the early 1990s eliminated all import duties (and did not apply any transition period when the Free trade agreement with the EU came into force in 1995), has to increase trade barriers to the imports from the third countries after the accession. Although the accession will open up the EU’s internal market for Estonia’s exporters of agricultural products and remove remaining non-tariff barriers, the overall economic benefits from trade are not very obvious (in particular, if the increase of market distortions after introducing the Common Agricultural Policy is taken into account).

Although Latvia and Lithuania have never abolished all import duties, the average import duties, in particular for agricultural products, of these countries have been lower than the ones applied by the EU. Although it could be argued that the prospects of accession into the EU helped to lock-in liberal trade regimes of the Baltic states, the actual accession into the EU will in some areas require the reversal of economic transition reforms undertaken during the 1990s\textsuperscript{12}. This applies not only to the changes in import regimes, but also to the number of re-regulatory exercises undertaken by those countries as a part of aligning their regulatory rules with EU’s acquis (which in the short term will
reduce the competitiveness of domestic companies, at the same time benefiting international and exporting business operating in these countries).

To be sure, accession into the EU, in addition to changing foreign trade regime and regulatory norms involves direct redistribution in some areas such as agriculture and regional development. Moreover, the dominant rhetoric on the benefits of EU membership in the candidate countries focuses on these benefits from redistribution, and it was these issues that attracted most publicity during the final stage of accession negotiations. However, there is no clear evidence of the growth and convergence effects from the use of EU funds, although they do benefit certain interest groups in the recipient countries.

Therefore, it might not be just a coincidence that the policy makers in the Baltic states from the outset of integration policies emphasized the political and security benefits of EU accession. Also, a relatively mixed evidence regarding the economic benefits of accession (in particular, in the short term when the most investments into the regulatory harmonization are undertaken and some of the membership benefits are temporarily restricted) could be taken as one of the explanatory factors for the relatively low level of public support for the EU accession in the Baltic states, in particular in Estonia. However, a closer examination of public debates in the Baltic states reveals that the legislators, interest groups and the part of a general public which show skepticism towards the accession emphasize more the discriminatory conditions of EU financial support and potential second class membership status. Some groups of population generally mistrust the projects of political elite, and the EU accession is just one of them. Despite the differences in the judgment, the public opinion, though different from expert estimates, becomes an important factor when the accession deals have to be ratified by a popular vote.

Third, there is another important aspect of the accession negotiations which is omitted from the application of liberal intergovernmentalism to the EU enlargement. It is the capacity of the accession countries to adjust, which is as important as their willingness to exchange investments required for the legal alignment and discriminatory conditions of accession into the more general benefits of EU membership. A more limited knowledge of the EU acquis, administrative problems of internal coordination and implementation, also inability to solve collective action problems between the candidate countries, and instead of competing to coordinate their negotiating positions vis-à-vis the EU have all contributed to more adjustment costs being shifted on the Baltic states’ budgets and economies. To be sure, the administrative capacities influence the outcomes of public policies irrespective of EU accession process. The latter actually contributes to the strengthening of administrative capacities, although less in the areas which are not covered by the acquis. However, the
limited experience and capacities to translate EU norms into domestic practices did contribute to somewhat larger adjustment costs, although it should be acknowledged that the process of learning has been taking place as illustrated by the dynamics of reducing the requests for the transition periods of the Baltic states.

Also, the lack of incentives and the inability to coordinate negotiating positions, except in the final stage of negotiations, between the three countries also contributed to the lower bargaining power and potentially larger (political and economic) adjustment costs\textsuperscript{15}. This aspect draws the attention to the importance of the bargaining strategies which also include “tying hands” (mostly used by Baltic negotiators in cases such as sales of land and agricultural support with respect to the EU, and fuel excise tax with respect to domestic groups), using linkages (used by the domestic groups in linking the terms of sales of agricultural land to the size of agricultural support) or “battering ram” strategies (used by the EU on closing some chapters)\textsuperscript{16}. Finally, in line with the arguments used by the analysts of internal EU negotiations and the character of policy making, it is argued that the dominance of certain actors, the nature of the arguments used during the negotiations, the public visibility and the potential implications for the ratification of the deals depend on the level of bargaining\textsuperscript{17}.

The changing landscape of issues: from non-negotiations on technicalities to debates about money

The accession negotiations at the beginning resembled more an exchange of information between the EU and each negotiating candidate country on each of the 31 chapters that covered all the acquis. The European Commission would first draft a common position of the EU which would be adopted by the member states and often would have a horizontal character and apply to all candidates. The latter would submit their plans on adopting EU norms in particular area while the EU would approve the plans or would ask for some clarifications. The first 2-3 years of accession negotiations was a process of consultation and clarification rather than negotiations.

The EU in 1998 started accession negotiations only with the “first wave” countries – Estonia, Czech Republic, Hungary, Poland, Slovenia (and Cyprus). The invitation of Estonia was politically significant to all the Baltic states, although Latvian and Lithuanian policy makers raised criticisms to the European Commission about being unjustifiably considered unprepared to start negotiations. About two years later, in autumn of 1999, the European Commission in its regular reports recommended to extend invitations to start negotiations with the “second wave” group consisting of Latvia, Lithuania, Bulgaria, Slovakia
and Rumania (and Malta). After the Helsinki Summit of December 1999 adopted most recommendations of the Commission, the accession negotiations with these countries were started in February 2000. Soon, after a quick catching-up in negotiations of some of the “second wave” countries, it became obvious that ten of these countries were progressing at a somewhat similar speed and the differentiation between them by the EU could not be justified on economic, administrative and even more so – geopolitical – grounds.

The negotiations first went through a number of “easy” chapters, including science and research, industrial policy, statistics, education and training and some others. Then followed the chapters where some candidate countries had particular issues like fisheries (important for the those bordering the sea), common external policies (important for those that had some preferential trade agreements signed with the third countries that will have to be abolished after the accession), justice and home affairs (most important for those whose border will be future EU’s external border), economic and monetary union and others.

Then there were areas where large investments were required by the candidate countries to meet EU regulatory standards (product norms, environmental protection norms, security of supply norms, norms regulating the financial standing of enterprises or the way services are provided). They include free movement of goods, environment, energy and transport. However, the EU from the outset was willing to give a number of transition periods for the implementation of the most expensive norms and therefore contrary to some predictions the negotiations did not cause much controversy.

Similarly, relatively little actual negotiations took place on introducing some transition periods that were justified on the political sensitivity of the issues. For example, EU already in 2001 made it clear that it was going to restrict the movement of labor from Central and Eastern European countries for up to 7 years after the enlargement. The fears of German and Austrian population of possible large migration (though disconfirmed by all the economic studies and the experience of previous enlargements) were behind this transition period. The transition period in allowing transport companies from CEECs to provide services freely inside the EU member states was another example of responding to fears from less competitive companies (mainly German) inside the EU.

Also, the transition periods for removing barriers to purchasing agricultural land in CEECs by residents from EU member states was agreed by the EU and most candidate countries in response to popular (and again economically poorly justified) fears of farming population. The Baltic states first provisionally closed the chapter on the free movement of capital without requesting transition periods to sales of agricultural land. However, later under the constellation of
factors, including the pressure from the domestic lobbies, the governments being concerned about the general skepticism of the farming population, the forthcoming attitude of the European Commission and references to the examples set by the other candidates like Poland and Hungary, the chapters were reopened and the transition periods agreed during the last weeks of negotiations (being one of the practical examples of the rule "nothing is agreed until everything is agreed").

The most difficult and the most publicly debated chapters were left for the last stage of accession negotiations that took place in 2002 under the Spanish and Danish presidencies. These included mostly redistributive issues such as agricultural support, which are politically sensitive in both EU and candidate states, and some other issues of symbolic political importance (like the introduction of visas to the residents of the Kaliningrad region or the closure of the nuclear power plants in several candidate countries).

Most debates focused on the extension of the Common Agricultural policy to the candidate countries. Although the EU on the basis of Commission's Agenda 2000 was incrementally moving towards reforming the CAP, the accession of ten new countries, some of which like Poland have around 20% of their population employed in farming, raised sensitive questions of how to "redistribute the pie" without exceeding the limits set for the EU budgetary spending (at 1.27% of EU's GDP). The latter point was in particular stressed by the main net contributors to the EU budget such as the Netherlands and Germany that were concerned about any possible increase of their financial contributions as a result of EU enlargement. The debates in the EU for some time were restricted by the need to wait for the elections that were held in France and Germany. Later, the potential linkage of the CAP reform and the need to find a common negotiating position among the member states on the chapter of agriculture was an issue that was further complicating the progress in the accession negotiations (despite the efforts of the Commission to separate those two questions).

Initially the Commission came up with a proposal (supported by most EU member states) to extend to new members only 25% of one of the most important agricultural support instruments - direct payments - from the first year of EU membership in 2004, and then progressively increase this share to reach 100 percent of what the member states receive in 2013. Although the negotiations on the agriculture covered a wide range of issues, including the adoption of veterinary, phytosanitary and animal welfare norms, introduction of administrative and monitoring systems, production quotas and other types of support, the extension of direct income payments proved to cause most controversial debates. It was only at the night of December 13 that the final
agreement between the EU and candidates (led by Poland) was reached. Although the EU retained the formula of starting at 25% of direct income support payments, it agreed to the possibility of the candidate countries to top up the direct payments to the level of 55%, 60% and 65% from 2004 to 2006.

It was also only during the last day of accession negotiations that another, rather peculiar problem was solved. Due to what is called a “budgetary lag” - payments from the EU budget reaching the new member states with a certain time lag, while the contributions from new members starting from the first year of accession - some candidate countries were likely to be net budgetary contributors during the first couple years of membership. Also, this meant that they would be financially worse off than the year before accession, the scenario which was ruled out by the Commission. To compensate for this cash flow problem, the EU suggested to provide budgetary compensation in the form of lump sums, although the concrete sums were agreed only during the last day of negotiations.

Thus, the latest days of accession negotiations focused mainly on financial issues such as agricultural support, budgetary compensations, structural support, EU’s support to closing down the nuclear power plants or the border infrastructure. EU committed a total of almost 42 billion euros for the period of 2004-2006, while the contributions of the new members to the EU budget are estimated at about 15 billion euros. The fact that all ten candidate countries that planned to conclude accession negotiations according to the road map provided by the Commission did so was in itself an important outcome of the accession process illustrating the significance of the overall benefits expected from the enlargement.

Each candidate country had its own specific issues originating from the geographical position, industrial structure, the progress of economic reforms, international commitments and the constellation of domestic interest groups. To be sure, the domestic factors alone can not account for the outcome of negotiations on particular chapters. The bargaining position of the EU (after agreeing on it among the member states) as well as the use of different negotiating strategies are equally (and in most cases more) important factors. This paper further focuses on the EU accession negotiations with the Baltic States, which can provide useful insights into the process of accession negotiation.

The Baltic states and the EU: bargaining and the bargain

The first year of negotiations between the EU and Estonia, Latvia, and Lithuania could be characterized as a process of learning and consultations on the acquis and its interpretations by the EU. The negotiations followed the
same logic of starting with the “easy” chapters which posed little questions for the EU and each candidate country. It should be noted that each Baltic state started accession negotiations with a working date of accession set. For example, Lithuania started its negotiations with an objective of concluding them by the end of 2002, and being ready to join the EU in 2004 (which was also chosen as a working date for the acquis to be in place, except for cases with transition periods).

The first chapters to be closed included statistics, industrial policy, small and medium size business, science and research, education, external relations and common foreign and security policy. As a rule, these were the chapters where the competences of the EU are limited, the acquis is not extensive and therefore did not require major investments to be made in adopting it. The main adjustments for the Baltic states included administrative changes and procedures (for example, in the field of collecting statistics) and a review of external agreements. By the end of 2000, Lithuania had the total of 7 chapters closed and 9 others opened.

In the case of external relations, it should be noted that initially Lithuania and Latvia made individual requests for transition periods. One was to preserve a trilateral free trade area of the Baltic states that went deeper in liberalizing industrial and agricultural trade than the association agreements with the EU, in case all three did not join the EU at the same time. Interestingly, Estonia did not request this type of transition period from the EU, which could be explained by the still prevailing separation of the candidate countries into the first and second waves which reduced the incentives for coordination.

The second request was to have a transition period in phasing out the free trade agreements with Ukraine, which did not enjoy similar preferential status in its relations with the EU. However, the EU made it clear that this kind of temporary derogations would not be allowed after the accession (and the issue of preserving the Baltic free trade area lost its importance after Latvia and Lithuania caught up in negotiations with Estonia in 2001).

The chapters that followed included the free movement of services and capital, company law, competition, transport policy, social policy and employment, telecommunications and information technologies, culture and audiovisual policy and environment. Although some of the acquis in these chapters required significant investments (environment, transport) and others later turned out to be politically sensitive (free movement of capital), most of them were closed in the first half of 2001 under the Swedish presidency. Differently from some Central European applicant countries, the Baltic states were rather quick to close the chapters on competition and free movement of capital without negotiating any transition periods.
The closing of the majority of the chapters required administrative adjustments to be taken by the Baltic states' authorities (like the creation of the regulatory institution in the field of telecommunications). In the chapter on social policy and employment, only Latvia negotiated transition periods, all of which were linked to the adoption of the health and safety requirements. In some other cases, transition periods requested by the candidates were not accepted by the EU, and these requests were later withdrawn (these were the areas where no other candidates received transition periods). This was the case for Lithuania with the implementation of the acquis on compulsory third party liability insurance of owners and users of motor vehicles and later with excise tax for fuel.

Interestingly and contrary to the predictions of most analysts, chapters like on the environment, which involved significant adjustment efforts, also caused relatively little controversy. The EU from the outset was ready to accept transition periods in adopting the environmental directives requiring significant investments (like water treatment or managing waste). In Estonia some public debates took place on issues like the conservation of wild fauna such as lynx, wolf and bear. These wild species after some negotiations were excluded due to their abundance in the country from the list of species in need of protection.

Transition periods have been agreed by all three countries in the chapters on free movement of services and transport policy, where the differences in the level of economic development between the Baltic states and the EU made the adoption of EU minimum norms (on insurance norms, deposit guarantee schemes, financial standing of enterprises or introduction of the recording equipment for the domestic transport carriers) expensive for businesses and could affect negatively their competitiveness. In some cases, like the introduction of mandatory licensing of domestic transport carriers, it might have been possible to negotiate an exemption on the basis of the small scale of their operations that did not affect the internal market, thereby avoiding the need for the small transport enterprises to invest into more strict EU norms. However, most probably due to the lack of knowledge regarding the acquis, this option was not seriously attempted by the negotiators of the accession countries, and the option of transition periods was chosen instead. Interestingly, the transition periods were negotiated despite the fact that small domestic transport operators were not effective in organizing and undertook no lobbying. Moreover, the Baltic international carriers, already in compliance with the EU norms of financial standing and the use of recording equipment, were only interested in preventing the EU from keeping the market protection measures after the accession, and therefore cautious about demanding any transition periods.
During the first half of 2001, Lithuania opened 13 chapters and closed 11. Latvia progressed at a similar rate. By the end of June, in terms of chapters closed, Latvia and Lithuania were in a similar position as the candidate countries that started accession negotiations two years earlier. This rapid catching up could partly be explained by the focus of the Swedish presidency on the accession negotiations, and partly by the administrative and political efforts of the Lithuanian and Latvian negotiators (though progress in the negotiations does not reveal fully the progress in the actual implementation of the acquis). Also, as the process of learning took place - in some cases negotiators from the candidate countries withdrew their requests for transition periods after learning that the EU directives provided for such a possibility, in such a way accelerating the negotiations (most of those concerned environment and agriculture).

The chapters agreed in 2001 included the free movement of capital, services and goods, economic and monetary union, consumer protection, company law, fisheries, culture and audiovisual policy, environment, and several others. For both Estonia and Latvia in particular, fisheries issues were relatively high on the agenda in terms of securing access to these resources and their regulation.

In should be noted that the chapter on Economic and Monetary Union posed little problems for all three Baltic states. Taking into account that Estonia and Lithuania have well functioning currency board arrangements with fixed exchange rate regimes, which are likely to be preserved after the accession, they already can be considered part of the eurozone. Latvia has a fixed exchange rate based on the basket of currencies. Although some of the Maastricht criteria have a different meaning in the transition economies, the experience of the several recent years, with most indicators being well within the range of convergence criteria, provide a strong ground to expect a fast accession of the Baltic states into the eurozone (probably in 2007).

During the second half of 2001, the chapters on free movement of persons, customs union, competition, transport policy and financial control were closed. This list included the chapters where the EU requested transitions periods to be applied to the candidate countries. First, there was a transition period of up to 7 seven years for the free movement of labor, though with a possibility of individual member states opening up their labor markets from the date of accession. Again, in this area there were attempts on the part of the Latvian and Lithuanian negotiators to coordinate their position with Estonia to strengthen the bargaining power but these attempts failed. The lack of interest in coordinatory efforts of Estonia could again be explained by still existing differentiation of the first and second wave countries. Eventually, a number of individual member states - Sweden, Denmark, the Netherlands, Ireland and
Great Britain - announced that they would remove the restrictions on the movement of labour from the Baltic states from the date of their accession. Also, the EU agreed on a transition period of up to 5 years for the provision of transport services by the carrier companies from the new members inside the territory of other member states.

During the year 2002, the most difficult and politically controversial chapters were negotiated. These included taxation, justice and home affairs, energy, regional policy, agriculture, financial and budgetary issues. It should be noted that the institutional questions had already been solved during the negotiations of the Treaty of Nice in 2000, and therefore no substantial new issues were debated in this field. According to the agreement reached in Nice, after the transition period that expires in November of 2004, Estonia will have 6, Latvia will have 9 and Lithuania will have 13 seats in the European Parliament. Estonia will have 4 votes, Latvia will have 4 votes and Lithuania will have 7 votes in the Council of Ministers. Each Baltic state will have one Commissioner until the number of the member states reaches 27. They will also be represented in other EU institutions.

Other issues were linked directly to redistributive issues for both the EU and the Baltic states. The taxation chapter caused some domestic debates related to the harmonization of excise taxes on fuel in Lithuania, where they were almost twice as low as the minimum set by the EU. Lithuania's request for the transition period for the harmonization of excise tax on fuel was rejected by the EU on the grounds that it would distort competition in the internal market (although it could be argued that setting the absolute minimum tax in the countries with different levels of economic development violates the principle of proportionality). The fact that no other candidate country was granted such a transition period was also used to legitimize the position of the EU and in particular selling the deal domestically. All three Baltic states got transition periods for the harmonization of the excise tax on cigarettes and some exemptions for the application of the VAT norms.

Energy and justice and home affairs covered issues specific to Lithuania, such as the closure of the Ignalina nuclear power plant and the movement of Russian citizens to and from Kaliningrad region across the territory of Lithuania. The closure of the Ignalina NPP was causing increasing political debates inside the country and here the debates during the negotiations focused on the financial support of the EU, which was gradually increased. The transit to Kaliningrad region also raised specific issues since this was the first case in the history of the EU when a part of a third country would be surrounded by the territory of the EU. Since Lithuania applied preferential visa regime to Kaliningrad residents, the accession into the EU implied adoption of more restrictive visa and transit
regimes. This was increasingly criticized by Russia, and it was only in November 2002 when the EU and Russia reached a compromise (although some of its details remained unclear). For Lithuania, the main concerns included financial implication of the new transit regime, and whether this issue would not slow down its full participation in the Schengen area. The negotiations on Russian transit were taking place on the highest political level, although concrete details were left for the technocratic deals to be made after the conclusion of negotiations (and proving to be unsuccessful during the first months of 2003). The financing of the border infrastructure was on the agenda of all three countries as they all will become external borders of the EU.

Estonia had some specific concerns related to the oil shale. All three countries also negotiated transition periods for the accumulation of the minimum stocks of liquid oil and oil products.

Other redistributive issues were of a horizontal nature, i.e. common to all candidate countries, and progress in negotiations was to a large extent dependent on the EU member states finding a compromise among themselves on financing the new members. To be sure, the size of the agricultural sector in the Baltic states, in particular Lithuania, which currently employs about 16% of working populations and is dominated by small farms, increased the political salience of the agricultural support to be provided from the EU budget after the accession. Like in other candidate countries, the share of the direct payments to be received after the accession was the most debated issue, although quotas and some other support measures were subject to negotiations as well. It should be noted that only when the negotiations were approaching the final stage, and the prospect of ten countries concluding them at the same time was becoming quite clear, the three Baltic states managed to coordinate their negotiating positions on the agricultural support of the EU. However, the cooperative efforts brought rather modest results when faced with the reluctance of the EU to change its offer (which would have probably required the renegotiation of the internal agreements and the application of the better terms to all candidate countries).

It is in the context of the dissatisfaction of the farming population with the offer of the EU and perceived discriminatory conditions after the accession that the reopening of the chapter on the free movement of capital should be seen. The transition period of up to seven years for the sales of agricultural land to foreigners was negotiated during the last weeks of negotiations. Interestingly, in summer 2002 only Lithuania requested reopening of this chapter in order to negotiate a transition period on the sale of land to foreigners. However, eventually the same transition periods were granted to all three Baltic states despite the fact that in Estonia the regulation of land had already been quite liberal. In Lithuania, the policy making process led to the most restrictive
arrangement being adopted with both a transition period of up to 7 years and a "safeguard" law which initially was foreseen as an alternative to the transition period and might be judged as disproportional to its regulatory aims by the European Court of Justice.

To sum up, the negotiations between the EU and the late comers – Latvia and Lithuania - took place 34 months, while the period in the case of Estonia was longer. In the case of Lithuania, there were 18 meetings of the accession conference organized, 6 of them on the level of ministers, others – on the level of chief negotiators. Lithuania negotiated 21 transition periods and 2 derogations in 8 chapters: free movement of goods, free movement of services, free movement of capital, agriculture, transport policy, taxation, energy and environment. The list of transition periods for Latvia is longer (36 transition periods), while in the case of Estonia it was somewhat similar.

For all three countries, the areas where most transition periods were negotiated include agriculture (harmonization of veterinary norms, some payments for the specific products, the use of uncertified materials, structural requirements for the enterprises), environment (control of emissions, waste treatment, packaging, integrated pollution prevention and control, norms for the large combustion plants), transport (on financial standing of enterprises, use of recording equipment and noise of airlines). The main motives behind the transition periods included the significance of investments required for the adoption of the acquis (mostly regulatory norms) and political sensitivity of the issues (mostly removal of barriers to the free exchange and the resulting increase in competition, also issues related to perceived surrendering of sovereignty and discriminatory financial support). Overall, the transition periods were used as an instrument to reduce financial and political stress on the candidate countries (and the EU), or to use the term of Putnam, to increase the win-set.

Despite the fact that most of EU’s activities concern the regulation of cross-border trade, the focus during the last stage of negotiations and domestic debates on the outcomes of negotiations was on financial issues. They included EU’s support to the farming population, regional support, support to the closure of Ignalina nuclear power plant and financing of border infrastructure. The budgetary debates were less important for the Baltic states than for most of other candidates, since they were expected to be net beneficiaries even with the “budgetary lag” effect (although their negotiators did request compensatory payments on the basis of a need to reduce the budgetary pressures during the first years of membership, and eventually received EU’s commitments). The outcomes of the negotiations on financial issues are presented below.
In the area of agriculture, the Baltic states like other candidate countries can top up the direct payments from the national budget to increase them from 25/30/35% in 2004-2006 to 55/60/65%. Some funds committed to the rural support could also be used for this purpose, although limits have been. During the next financial period of the EU (2007-2013), the direct payments from the EU budget, which will be increasing by 10% every year, can be topped up by additional 30% from the national budget.

Many of production quotas agreed during the negotiations by the Baltic states are larger than the current production in the countries. Although the actual quotas agreed were significantly lower than the initial requests of the Baltic states, there have been some increases from the offers of the European Commission (partly to compensate for the perceived discriminatory conditions.
of direct payments). Other financial support measures received were the same like for other candidate countries (for example, payments of 1000 euro for the semi-subsistence farms, with the exception of Poland).

The EU also increased its initial offer of financial support to closing down the Ignalina nuclear power plant (Lithuania has agreed to close the first reactor by 2005 and the second reactor by 2010). The total support of the EU in this field stands at 285 euro for the period of 2004-2006 with a promise of continuation during the next financial period. EU’s financial support can be used for the decommissioning of the Ignalina NPP and its personnel, investments into the environment, modernization of thermal power plants, projects to ensure the security of supply.

Lithuania was also assured by the EU that implementation of a new transit regime for the Russian citizens would not hinder or delay Lithuania’s membership in the Schengen area. In addition, the EU committed itself to cover all additional costs needed for the implementation of this agreement, the exact amount of which is still subject to further investigations by the Commission and Lithuania. Any future decisions regarding the transit will be taken only after Lithuania becomes EU member and with its participation. Both the commitments concerning the Ignalina NPP and the transit regime will be attached to the accession treaty in the form of separate annexes. For Estonia, there was a unilateral declaration on steel agreed. Latvia negotiated the declaration on the possibility to return to the question of the votes in the Council during the next IGC, while the Commission attached the declaration on the support for the protection of environment.

Conclusions

If the ratification process proceeds smoothly (and at the time of writing this does look very likely), in 2004 voters in candidate countries are going to elect their representatives to the European Parliament, and in May 2004 the actual accession will take place. It is important to note that the candidate countries will take part in the Inter-Governmental Conference which will be convened in October 2003 to address the issues of EU reform, which were debated in the Convention of the Future of Europe and presented in the form of EU Constitution.

Among the key questions in the context of EU accession negotiations are the following: how the enlargement will change the internal bargaining among the member states of EU-25, and how the relaxation of conditionality will change the position of the new member states (and the domestic politics, in particular, the implementation of the acquis). Several forecasts can be made on
the basis of the analysis of accession negotiations and the previous enlargements of the EU.

First, it is very likely that the new member states will form the issue-based coalitions with the current countries. For example, the support of 8 member states and 10 countries of the Vilnius group for the position of the USA on the Iraq issue provide the ground to expect similar coalitions forming inside the EU (possibly around the Great Britain and Poland). On other issues, like the reform of agricultural policy, the coalition of the pro-reformist member states is likely to be joined by Estonia and the Czech Republic, while Poland and Lithuania, where agricultural sector is more important, will probably join the group led by France. In general, the coalitions will depend on the salience of the issue for the domestic interest groups, the positions formed during their interactions with country governments, and the capacities of the executives to coordinate and represent national positions. It is quite likely that the executive branches of the governments will remain the key players (although the legislative bodies could increase their influence after the learning exercise of participating in the work of the Convention on the Future of Europe and have already been attempting to do so in the process of reforming domestic institutional structures of coordinating EU affairs).

Second, the increase in size and diversity of the EU might lead some of the old member states to use increasingly more the option of “enhanced cooperation” and to move further in a smaller group inside the EU in integrating new policy areas or reopening old deals. The recent moves of the “Franco-German motor” in the areas of direct taxation, foreign and defense policy and internal affairs point to this direction. At the same time, the transition periods agreed during the negotiations will be obstructing the functioning of the enlarged common market until about 2010. Altogether this might lead to an overall loosening of the EU, concentration on the implementation of the adopted acquis rather than initiating new projects, or initiating those between small groups of willing and able.

Overall, the main challenge for the EU will be to find a balance between its increased economic, cultural, etc. diversity and common solutions to common problems at the EU level. It is a search for this balance that is going to dominate the EU agenda after the enlargement, be it in the pursuit of conditions for becoming the most competitive economy in the world by 2010 (the “Lisbon goals”) or becoming an important player in the world political affairs.
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Friis, L., Jarosz, A. 2000. When the going gets tough: the EU's enlargement negotiations with Poland, in European Integration, Vol. 23, p. 29-61.


NOTES AND REFERENCES

1 This is an amended version of the paper „The final stage of the EU-accession game: Baltic states – the likely victims of their own success?” presented at the 8th biannual EUSA conference, the panel on EU enlargement in March 27-29, 2003, Nashville, USA. I am grateful to Klaudijus Maniokas and Craig Parsons for comments and suggestions, to Ms. Zanda Grauze from the Latvian Embassy in Lithuania and to Ms. Leena Prozes from the Estonian Embassy in Lithuania for the information, and to the Maxwell EU Center and the Global Affairs Institute of Syracuse University for the financial support.

2 Though there have been writings on the impact of the EU on the state–society relations which tend to conclude that the accession into the EU was mainly an elite driven process, and that the role of the elites is further reinforced by this process. See Grabbe, H. (2001b); Linden, R. H. (ed.) (2002).

3 For more on the role of the technocratic reformers and the changing patterns of interest representation during the times of „extraordinary politics” see Balcerowicz, L. (1997); Vilpiðauskas, R. (2000).


7 The discussion of how this asymmetry can impact of the accession negotiations is provided by Friis, L. and Jarosz, A. (2000).

8 The extensive discussion of the new membership conditions is provided by Maniokas, K. (2002).

9 For example, see the web site of the European Committee under the Government of Lithuania with material on accession negotiations (www.euro.lt).


12 The timing of the Baltic states submitting the applications to join the EU can be explained by the perceived needs to follow the example of Central European candidates, to lock in the commitments of EU accession before the national elections and possible changes in the ruling elites and the approaching EU Summit in Madrid in December 1995. Though the share of trade with the EU has been increasing since the reestablishment of independence with Estonia taking the lead by mid-1990s, the substantial reorientation of it took place mainly after the Russian economic crisis in 1998.

13 On the discussion of the impact of EU accession on the role of the state and changes in public policies in the candidate countries see Vilpiðauskas, R. (2003).

14 For a critical review of the effects of EU regional policies see, for example, Boldrin, M., Canova, F. (2001).

15 The lack of knowledge of the acquis is also underlined by Friis, L. and Jarosz, A. (2000), but they use it as the evidence of the asymmetry of relations between the EU and candidate countries while here its importance for the negotiating capacity is emphasized.

16 The dynamics of the Baltic states’ relations vis-à-vis the EU and the problems of coordination are discussed in detail in Vilpiðauskas, R. (2000).


18 For the illustration of the significance of the level of decision making in the EU see Peterson, J. (1995).


20 This and following data received from the European Committee under the Government of Lithuania, January 2003.

Introduction

The eventual membership in NATO for Central and Eastern Europe (CEE) states generally seems to be the final breakaway from the sphere of Russian influence. Becoming members of NATO – the main political and security Euro Atlantic block – the new NATO states hope that they will be able to speed up comprehensive integration into the West. Not only in military or political, but in economic and cultural sense as well.

However current tendencies do not allow to be so optimistic. Russia was not opposing NATO enlargement very actively, but it does not mean that Moscow has lost any interest in CEE. The main suggestion of this article is that NATO enlargement gives no guarantees to the new NATO states of comprehensive and full geopolitical gravitation to the West. It suggests that geopolitical influence in the region becomes two-sided – it is mainly divided between US and Russia.

It is obvious that geopolitical influence has a lot of sides – it is determined by geographic, demographic, military, political, economic, cultural, and many other factors. Control of some of these factors may ensure the dominant influence in particular state sector but still not give guarantees of full geopolitical control.

NATO enlargement in 1999 and invitation of other seven post-soviet states in 2002 is undoubtedly an inclusion of the new NATO states into the zone of Western political influence. That fact is often proclaimed in political declarations or national security strategies. Therefore Russian politicians considered NATO enlargement, especially the first wave, as an obvious restraining of Russia’s power in the region. However, the second wave of NATO enlargement from Russia’s side was criticised quite moderately. Why has Russia so easily permitted Western states to take another piece of cake in the region where Russia has its primary political and economic interests?

There are various answers. The most popular answers explain that Moscow
recognizes that its influence in the world affairs has diminished radically, that NATO is not hostile any more to Russia or that Russia has other priorities in its foreign policy.

This article proposes a version that one of the most important motives for Russia not to hesitate NATO enlargement was a particular silent agreement or compromise achieved between Russia and the US to divide the spheres of influence in the CEE region. And this time Europe was divided not by geographical lines but by state sectors. The president of the United States G.W. Bush was probably honest when on November 23, 2002 he proclaimed in Vilnius that in the 21st century there would be no more Yaltas or Munichs. He could be right – in 21st century nobody discusses a division of Europe in geographical terms. The main bargaining goes over the matter of domination in particular state sectors of entire regions.

NATO enlargement from US positions

The importance of NATO enlargement to the US foreign policy could be explained quite briefly. Despite the increased US power and the commonly recognized fact that US presently is the only super-state in the world, Americans still need international institutions to support and legitimise the tasks of foreign policy of the United States. Such international support of US tasks is essential for several reasons and mainly for the following:

1. By declaring the institutionalisation of democracy principles in the whole world, the US have to ensure the support of the so-called international community. International community may be represented (for real or just formally) by such organizations as the UN or NATO. In this sense the expanding number of NATO members should make the alliance more democratic and representing a greater number of independent nations.

2. International organizations could allow the US to use a greater number of various resources (especially political and military) for achieving US foreign policy tasks more economically and effectively. Despite discussions that military contribution of the allies to NATO is too low, or that political importance of the UN presently is diminishing and questionable, the military and political support these organizations can give to US is still reasonable. The United States with the backing of NATO and the UN can spend less resources than in case US acted unilaterally. Therefore, the new NATO states even with very moderate military capabilities are very useful in common international operations of NATO. Involvement of more nations in peace-keeping operations
enables the US to move to another field of actions where more concentration is needed. Such tactics is used in dealing with Afghanistan and Iraq. After the quick Afghanistan war, the US troops were replaced by international forces and in August 2003 NATO officially and practically took over the operational command of International Security Assistant Forces (ISAF). This operation demonstrated NATO’s resolve and ability to address new security challenges and take on new missions, and it is clearly of benefit to all involved, but mostly to the US. The situation in Iraq seems to be similar. The United States don’t want to stay in Iraq alone and to lose American soldiers day by day. Even for the mighty US it is a tough task.

The NATO enlargement meets other global and regional (in this case – European region) strategic goals of the US foreign policy:

Ž Expanding the group of allies among European nations – the new NATO states often are more Washington-oriented than other current European NATO members;
Ž Increasing the number of states in the region which support and spread out Western values in the world.
Ž Strengthening of mutual security and political stability in the region. That gives the opportunities to the US to give more attention to other regions – first of all Middle East and Central Asia, the main interest zone of US in the present day.

All this can be described by a simple conclusion – NATO enlargement apparently strengthens the political influence of US and diminishes the need to consume a lot of diplomatic, political and other resources in the region.

**NATO enlargement from Russia’s positions**

Until 2001, the official rhetoric of the Russian government was very clear: the new NATO enlargement, especially to the Baltic states, would harm the interests of Russia, and for this reason Moscow would not go through with this scenario of NATO enlargement.

Moscow was also unwilling to agree with the inclusion of Slovakia to NATO. Until 2002 there were no guarantees about the invitation of Slovakia to the alliance – the election of Slovakia’s parliament in 2002 could bring back the former Prime Minister Vladimir Meciar to power in Bratislava. Vladimir Meciar was seen as a close partner of Russia in Slovakia and was not very worried about maintaining democratic principles in his state. Western leaders issued quite a lot of warnings that the return of Meciar to government would
be the main factor in making the decision about the invitation of Slovakia to NATO.

So the Russian government did not have such a ‘mission impossible’ – to maintain its influence in Slovakia and to delay the inclusion of the state to NATO, it only had to make some effort to help Meciar’s party to win the parliament elections or to wreck the anti-Meciar coalition of political parties. Experienced election and public relations specialists in Moscow, whose assistance was very useful in many post-soviet states (e.g. Ukraine or Latvia), proved that such task for Russia was not too difficult.

However, in the presence of the parliament elections in Slovakia, Moscow took an unexpectedly neutral position. Contrary to all expectations, Russia even demonstrated friendly relationship with the president of Slovakia Rudolf Schuster. At the end of 2001 during Schuster’s visit to Moscow, the leaders of the two countries almost agreed about building the gas pipeline Yamal II through the territory of Slovakia. However Gazprom later decided to work on an alternative project and to estimate a possibility to build the pipeline on the seabed of the Baltic Sea.

At the beginning of 2001, the rhetoric of Russia began to change with respect to the Baltic states too. There were no more such categorical proclamations as about the rejection of any possibility for the Baltic states to become members of NATO. Some new statements could be heard that the Baltic states had their own right to choose the forms of security, though Russia still thought that NATO enlargement was not necessary and, from Russia’s positions, illogical.

However there were no comprehensive and strongly argumentative explanations why Russia decided not to take any actions, preventing or delaying the second NATO enlargement, and not to try to maintain Russia’s political influence in the region of CEE.

The answer to this question can be quite simple: Russia acknowledged that it would not loose all the influence it had had before, only the character of the influence in the new NATO states would change. Giving away the political influence in the region, which goes to US, Russia seeks to dominate in the economic sector of the new NATO states. The basis for such influence and perhaps the eventual control is almost monopolised domination in energy sector of the CEE states.

In 2001 Henry Kissinger wrote that “Russia will seek to maintain its influence in regions of geopolitical and historical importance to the Russian state and as a hedge should the effort to create a new basis for Russo-American relations flounder” 7. In recent time some tendencies shows how these goals will be implemented.
Until 2001 intensive competition for the dominating position was seen in the main economic sectors of the CEE. American companies were among other active players in this competition. However in 2001 Russian gas and oil companies intensified their aggressive rush for strategic objects in the states of CEE, especially of the present and eventual NATO members.

In recent years it can be observed that there are some new tendencies - the Americans are even leaving the CEE. The very obvious example of the transfer of economic interests to Russia could be found in Lithuania. The decision of the US company Williams to withdraw from Lithuania and to sell their shares of the refinery Mažeikių Nafta and the oil terminal Butingė to Russian the company Yukos was a little shock to Lithuanian politicians. Although quite similar processes are going in others countries of CEE as well. These processes testify that US business interests in CEE are declining.

**US economic interest in CEE countries decreases**

Several economic factors showing the changing directions of the US capital flow reveal the redistribution of influence in CEE countries between US and Russia.

The first tendency that becomes apparent is a decrease of the US economic interests in CEE countries. Different criteria of showing an interest in the economics and perspectives of a foreign country can be quoted. Though the

Chart 1. US capital flow to CEE

Source: Bureau of Economic Analysis, US Department of Commerce
Table 1. US share of all FDI in selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>6.1</td>
<td>3.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Czech</td>
<td>9.2</td>
<td>6.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>3.9</td>
<td>4.6</td>
<td>9.9</td>
</tr>
<tr>
<td>Latvia</td>
<td>10</td>
<td>9.4</td>
<td>8.9</td>
</tr>
<tr>
<td>Poland</td>
<td>3.4</td>
<td>14.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Lithuania</td>
<td>13.4</td>
<td>9.8</td>
<td>8.3</td>
</tr>
<tr>
<td>Slovakia</td>
<td>12.2</td>
<td>6.9</td>
<td>6.0</td>
</tr>
<tr>
<td>Slovenia</td>
<td>3.9</td>
<td>3.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>12</td>
<td>13.6</td>
<td>8</td>
</tr>
</tbody>
</table>

most important criteria that testify the intention to influence a state's economic sector are the balance of capital flow and direct foreign investments.

The flow of American capital to Central and Eastern European countries was positive for a long time, which means that money was “pumped” to CEE region since the very end of the cold war. In 2000 this tendency changed, when for the first time the direction of capital flow between US and CEE altered and the capital began to return to US. In 2001 the balance of capital flow became positive again, but still did not achieve the level of 1997.

American share of all foreign investments to CEE countries also gradually decreases. The part of US investment decreases in the economics of the countries that became NATO members in 1999 and in those invited in 2002. The only clear exception is Estonia, where the US portion among all foreign investments in 2001 increased twice. In 2002 these trends were not so apparent, but US still has not regained its previous positions among foreign investors.

The fact that Americans relatively weakly invest in the strategic economic spheres, such as sectors of energy, transport, telecommunications and finance, reduces the importance of American investments. American companies are used to investing more into food and car industry, small and middle size enterprises.

**Russian economical influence in CEE intensifies**

Another tendency to appear in the recent years is an increase of Russian investments in the CEE countries.
Russian foreign investments are very specific. Russian foreign investments exceed the capital coming to Russia. For example, in 2000 $2.7 billion came to Russia, while $3.2 billion went from it. Yet the greatest part of the Russian capital consists of short-term stock investments. The second aspect that rarely gets a reflection in the official statistics is that the Russian capital often comes not directly from Russia, but from offshore zones - Cyprus, Gibraltar, Switzerland, Virginia Islands, etc. That is why it would be unreliable to refer only to Russian or CEE statistics about the origin of investments.

Therefore more a rational approach would be to study direct investments of Russian companies to particular strategic economic sectors of CEE, and primarily into the gas and oil sector. Aggressive penetration to the markets of supplying, processing and distribution of energy resources of these countries shows the Russian intentions to strengthen the economic influence in the CEE region.

The major entities in the sphere of energy dominance are the Russian companies Gazprom, Lukoil and Yukos.

The Russian state company Gazprom is one of the most important entity in the Russian energy sector. Not only this Russian gas exporter usually has monopoly over the provision of gas to CEE, it also owns significant stock packages of gas enterprises in these countries. As seen in Table 2, Gazprom has major or at least significant power in all Central and Eastern European countries, except perhaps the Czech Republic. In January 2002, 97% of stock of the main Czech gas enterprise Transgas were sold to German company RWE Gaz for $3.64 billion. Hence Gazprom has quite a strong voice in Czech economics - the Czech Republic is a key transit center for Russian natural gas exports to Western Europe (mainly to Germany).

Until September 2003, negotiations for the sale of 34% Lithuanian gas supplier Lietuvos Dujos stock to Gazprom was not finished yet, but it was clear, that this part of stock could be purchased only by Gazprom.

There has recently appeared another interesting tendency: in Central and Eastern Europe Gazprom tries to acquire stock that belongs to mediators of the supply of gas. For example, in May 2003 Gazprom made a deal with Itera Latvija (Itera's branch company in Latvia) so that 9% of Latvijas gaze stock went to Gazprom for Itera Latvija debts. This company owed Gazprom for the natural gas transit to Baltic States. Having got 9% of stock totally, Gazprom will own 34% of stock in Latvijas gaze, which makes it the biggest Latvijas gaze stockholder. Other Latvijas gaze stockholders E.ON Energie and Ruhrgas also tried to purchase a stock package, but Itera Latvija proposed only to Gazprom.

Especially important for Gazprom was the privatization of Slovak gas provider Slovensky Plynarensky Priemysel (SSP). About 2/3 of Russian gas exported to
Western Europe pass through the Druzba (Brotherhood) natural gas pipelines that belongs to SSP. In spring 2002, the consortium made by Gazprom, Gaz de France and Ruhrgas won the competition for 49% of its stock.

Table 2. Some Major Stakes of Gazprom in CEE Joint Ventures

<table>
<thead>
<tr>
<th>Country</th>
<th>Joint Venture</th>
<th>Stake of GAZPROM, %</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>Gas Trading</td>
<td>35.0</td>
<td>Gas trading</td>
</tr>
<tr>
<td></td>
<td>Europol Gaz</td>
<td>48.0</td>
<td>Gas transport</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Tagdem</td>
<td>7.6</td>
<td>Gas trading</td>
</tr>
<tr>
<td>Estonia</td>
<td>Eesti Gaas</td>
<td>30.6</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td>Latvia</td>
<td>Latvijas Gaze</td>
<td>34.0</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Topenenergo</td>
<td>100</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td>Romania</td>
<td>WIROM</td>
<td>25.0</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td>Hungary</td>
<td>Panrusgas</td>
<td>50.0</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td></td>
<td>BorsodChem</td>
<td>60.0 (with “Yukos”)</td>
<td>Refinery</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Slovruisgaz</td>
<td>50.0</td>
<td>Gas trading and transport</td>
</tr>
<tr>
<td></td>
<td>Slovensky Plynarenisky Priemysel” (SPP)</td>
<td>49.0 (consortium with Ruhrgas and Gaz de France)</td>
<td>Gas trading and transport</td>
</tr>
</tbody>
</table>

Table 3. Activities of some Russian oil companies in CEE

<table>
<thead>
<tr>
<th>Company</th>
<th>Markets</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lukoil</td>
<td>Bulgaria – 58% stake of Neftechim refinery Romania – 87.3% stake of Petrote refinery The Baltic States, Czech</td>
<td>Oil refining, Fuel retailing</td>
</tr>
<tr>
<td>Yukos²</td>
<td>Lithuania – 54 % stake of “Mazeikiu Nafta” Offices in Latvia, Poland, Hungary</td>
<td>Oil refining, transportation Marketing, fuel retailing</td>
</tr>
<tr>
<td></td>
<td>Hungary – 60% (together with Gazprom) stake of BorsodChem</td>
<td>Oil refining</td>
</tr>
<tr>
<td></td>
<td>Croatia – reconstruction of Adria pipeline Slovakia – 49% stake of Traspetrol pipeline</td>
<td>Oil transportation</td>
</tr>
<tr>
<td>Slavneft</td>
<td>Romania, Bulgaria</td>
<td>Fuel retailing</td>
</tr>
<tr>
<td>Rosneft</td>
<td>Romania, Bulgaria</td>
<td>Fuel retailing</td>
</tr>
</tbody>
</table>
The largest Russian oil companies also strengthen their influence in the energy sector of Central and Eastern European countries by purchasing major regional oil processing factories, oil supply terminals or spreading the network of gas stations. Special attention is paid to the objects that may raise the opportunities to transport oil to Western Europe and the United States. That is why the most important recent directions of Yukos and Lukoil investments are South Eastern Europe (Romania, Bulgaria, Croatia, Serbia) and the Baltic States (especially Poland and Lithuania).

Lukoil chose the direction of South Eastern Europe: this company purchased the only Bulgarian oil refinery Neftochim and the second by size Romanian oil refinery Petrotel. Yukos got an opportunity to control Mažeikių Nafta and to transport oil through Butingės terminal. Polish press states that Yukos also considers the possibility to purchase Gdansk refinery.

In the nearest future Russian energy companies are going to maintain their goals to strengthen their positions in the region. For example, Yukos is going to establish a network of gas stations in the Baltic States, Lukoil does not give up its wish to join the consortium and to take part in the competition for Gdansk refinery privatization (purchasing 75% of stock) and declares its plans to invest in Romanian oil processing factory Petrotel $ 60 million more and to increase twice (up to 210) the number of gas stations in this country. Lukoil also seeks to buy 79.5% of the Serbian oil company Beopetrol stock.

Gazprom would like to take part in the competition for purchasing 25% of the biggest Hungarian (and one of the biggest in all Central and Eastern Europe) energy company MOL stock.

In fact, it seems that Russia promotes two different tactics towards the countries of CEE. Russia uses particular models of geo-energy domination in the Baltic states, in Central Europe and in Eastern and South-Eastern Europe (Bulgaria, Romania and Ukraine). Russia seeks for the total domination in the energy sectors of the Baltic States and Eastern and South-Eastern Europe. It tries to gain a fully vertical control of energy sectors – taking into its arms objects of importing, transporting and distribution of energy recourses and products. However Russia lacking financial resources and political influence is unable to implement the same model in Central Europe. Therefore, Russia is making attempts to take control only over particular elements of energy infrastructure in those countries. In other words, it seeks a strategic domination in Central Europe.

It could be argued that the strategic aim of Russia's energy policy in CEE is to integrate the transportation and refining sectors of the region into the common energy system of Russia. That means – to make it fully dependant on Russia’s energy resources.
The transportation and refining objects in CEE are strategically very important. The States which have transition pipelines have the right to regulate the transition regime (e.g. transition duties, quotas, directions), and by doing so to influence the importers of energy resources. Taking control of energy sectors in CEE, Russia will secure its export of gas and oil to Western Europe. Another political benefit is that by getting entrenched in certain sectors of CEE, Russia could block the integration of CEE energy sector into the energy systems of Western Europe.

Conclusions

Concluding, these trends let us think that the countries of Central and Eastern Europe are going through processes that have never been seen here before: the distribution of geopolitical influence not by territories, but by particular power sectors. After the NATO expansion, the outer influence on Central and Eastern Europe has become dual: the United States predominates in military and political sphere, while Russia tries to fortify its positions in the economic one (primarily by investments in the energy sector).

Two versions of what consequences this dual distribution of influence may have on the new NATO members can be presented:

1. If economic expansion to Central and Eastern Europe is a Russian strategic goal, the distribution of influence in different state sectors one day may become the field of Russian and American disagreement or conflict of interests. Economics and politics will never be completely autonomous state sectors. As long as the influence is divided among foreign countries that share more or less the same purposes, stability is maintained. But in case of Russian and American disagreement, this distribution of geopolitical influence would raise a possibility of political instability in Central and Eastern Europe. The Russian economic power may become a tool of indirect pressure for political forces, and using its political force US may seek to restrict Russian economic expansion in Europe.

2. If the expansion of Russian companies to Central and Eastern Europe is moved only by natural business development logic, we can think that Russia doesn’t have any goals to make a significant influence on the political processes in Central and Eastern Europe. The distribution of influence may be also encouraged American business interests or changing its geoenergetical politics. American wish to ensure additional energy resources from Russia becomes evident, thus penetration of Russian companies to Europe and management of export channels is
even stimulated. In this case, Central and Eastern Europe countries should not be afraid of Russian capital, and should consider themselves assisting the United States to ensure stable transit of energy resources. Besides, EU economic growth to a great part depends on the import of cheaper energy resources from Russia. Upon becoming important parts of the flow of gas and oil, these countries themselves can require more attention from the US and EU or even hope for significant economic or political benefit.

So far US and Russian positions are getting closer. It may grant a new age for Central and Eastern European countries when they will never need to fear to find themselves in a battlefield of confronting interests. That is why the stability of the Central and Eastern European region to a great part depends on the relations between US and Russia, whether they are going to become competitive or complementary.

NOTES AND REFERENCES

3 Even after the successful war in Iraq some US officials had to recognize that involvement of the UN in peacekeeping missions is very crucial for US.
4 See about US interest of NATO enlargement more in Kurth, James. The next NATO: Building an American commonwealth of nations // The National Interest, Fall 2001.
6 Even Russian President Putin visiting Finland at the beginning of September 2001 for the first time pronounce in public that the Baltic states has a right to get into NATO, although Russia see no reasons for that.
8 In this case: Bulgaria, Czech, Poland, Romania, Slovakia, Slovenia.
12 Without “Sibneft”.

Tomas Janeliūnas
LITHUANIA’S WORLD TRADE ORGANIZATION ACCESSION NEGOTIATIONS: AN OVERVIEW

Rolandas Kaėnskas

1. Introduction

Two years ago, Lithuania concluded negotiations of significant importance. Lithuania’s negotiations on the accession to the World Trade Organization (WTO) have been the first international economic negotiations taken on such scale and complexity. The only negotiations that could be compared to them are the Lithuania’s European Union (EU) membership talks. And even the latter one has been to some extent facilitated by the Lithuania’s WTO accession process because a number of requirements for membership in both organizations are the same. Yet, regardless of its importance, there are almost no studies addressing the issue of Lithuania’s accession to the WTO.

Lithuania’s journey to the WTO began in 1994. And although the process had started with optimism from all sides, the pace of negotiations slowed down shortly after and the enthusiasm was lost. Lithuania was lagging behind not only its Baltic neighbors Latvia and Estonia, which both joined the WTO in 1999, but also behind Kyrgyzstan (which joined in 1998, so becoming the first former Soviet Union country to join the WTO), and Georgia (2000). Overall, Lithuania’s accession process lasted for 77 months, compared to Kyrgyzstan’s 34, and was above the average of 46 months or four years.

Today, with Lithuania being a full-fledged member of the WTO, and for the first time participating in a new round of world trade negotiations, we can look back to the six and a half year long talks and generate some interesting research questions. While it does not provide a detailed account of negotiations, it does present a general perspective on their structure and process. Therefore this paper should be considered as a reference for further analysis, a tool in searching for answers to such questions as “Could a small country successfully negotiate with a big one?”, “What factors determine the actor strategies and outcomes of international economic negotiations?” One of the important aspects of further studies would be the examination of the extent to which international
economic negotiations such as the WTO could best explained by resorting to economic, international political economic or negotiation theory. In other words, which theory would provide the best explanation of some of the most important aspects of the WTO negotiations? In sum, the initial aim of this paper to ask “what” rather “why” and to raise questions rather than answer them.

No negotiation takes place in a vacuum. There is always a context. Therefore, this article starts with the account of background conditions that surrounded Lithuania's accession to the WTO. Then it will overview the institutional structure of the negotiations, Lithuania's accession process, discuss issues in the negotiations and compare the outcomes with other cases. The article will conclude with the summary of the most important aspects of the negotiations in the framework of Lithuania's accession to the WTO, will the revisit the raised questions and will draw ideas for further analysis.

2. Lithuania's WTO accession in broader context

By its very nature, the multilateral trading system, represented by the WTO, aims to be universal, and the accession of new members is therefore welcome in principle by all current members. Indeed, the WTO is one of the largest and fastest growing international organizations today, composed of, as of 1 January 2002, 144 member states and representing all the major world economies and over 95 percent of world trade. Furthermore, 32 more countries are observers with the prospect of eventually becoming full-fledged members, following the WTO regulations requiring to start accession negotiations within five years of becoming an observer.

From the very creation of the principal set of rules governing international trade in 1948 - the General Agreement on Tariffs and Trade (GATT), integration of new countries into the world economy and trade on the basis of multilaterally agreed principles and rules was seen as an important element promoting liberal principals of world trade. Aware of the role of trade barriers in contributing to the economic depression in the 1930s and the military aggression rising in its aftermath, countries, led by the United States and several other western developed democracies, initiated a new international trading system based on liberal trade principals, seen as essential for economic stability and peace. Following de-colonization and democratization in Africa, Asia, Latin America and elsewhere, integration of new countries into the world economy and trade was also perceived as means underpinning economic and institutional reforms in developing countries. At the end of the Cold War and subsequent to the dismantling of the communist system in Central and Eastern Europe and the former Soviet Union, the same principals were applied for transitional economies, such as Lithuania.
Thus, at the eve of and during the early stages of negotiations, it was thought that an aspiration to promote liberal trade principals alongside with growing political pressure to consolidate the political-security environment after the end of the Cold War under the auspices of liberal world trade system will facilitate Lithuania’s as well as other Eastern block countries’ accession to the WTO.

However, this proposition is not self-evident. One of the most striking features of the accession processes conducted after the establishment of the WTO in 1995 had to do with an increase of the length of the accession process. The process seemed to be slowing down, and Lithuania’s case illustrates this point well.

Analysts point to several technical reasons for such a development. First, with the transition from GATT to the WTO agreement, the range of issues covered by multilateral trade rules has expanded substantially (e.g. trade in services (GATS); trade-related intellectual property rights (TRIPS), etc.). Hence, obligations have become more extensive, with the implementation of the new rules at the same time involving a large administrative burden. Second, the trade related policies of countries that have been negotiating their accession to the WTO since 1995 are being scrutinized more closely than those of GATT 1947 members that became WTO members more or less automatically.5

However, from the standpoint of negotiation analysis and international politics, a more interesting question to ask is how and if international political configuration influences international economic negotiations. For instance, did the U.S. political engagement vis-à-vis the Baltic countries to facilitate the integration of Lithuania, Latvia and Estonia into the WTO (as expressed in the Charter of Partnership among the United States and the Baltic countries of 1998),6 influence in any way the U.S. negotiation strategy? The initial assumption would be to suggest that friends and allies behave differently from adversaries in a bargaining situation. Lithuania's negotiation experience with the U.S. in the context of Lithuania's accession to the WTO will test this hypothesis.

Similarly interesting question can be raised after re-examining the background conditions that could have possibly had an effect on the Lithuanian strategy choice. In general, the background conditions prompted the pursuit of fast accession to the WTO. We could classify these conditions into three main categories:

First, the government viewed membership as a strong incentive for economic reforms, growth of foreign investments and, the most importantly, trade. Overall, the membership in the WTO enjoyed broad political support in Lithuania. The goal of joining the WTO was in the programs of all governments that were in power since 1993. As a trading nation, Lithuania envisioned the
membership in WTO as having a positive effect on the promotion of exports. Such assumption was prompted by the fact that a number of Lithuania’s major trading partners belonged to the organization, and as such, they would be bound to applying equal treatment to goods of Lithuanian origin in their domestic markets. The government’s support for the membership was further reinforced by the prospects of strengthening domestic policies and institutions for the conduct of international trade.

Second, understanding important political changes in the region, Lithuania could not stay on the sidelines of the integration processes that have been taking place in Europe. Thus, despite the Lithuania’s obvious priority objective for the membership in the EU, the country’s integration into the WTO and the EU were complementary and inter-related processes. The screening of national legislation regulating domestic and foreign trade and related areas had shown that membership in the WTO was indispensable, since the basic requirement for Lithuania’s integration into the EU was de facto application of the WTO agreements’ rules in Lithuania’s domestic and foreign trade policy. Therefore, a rush toward the EU led Lithuania to seek a faster admission to the WTO as well.

Third, Lithuania aimed to become a member before the beginning of the new WTO negotiation round (then foreseen to start in 1999) as well as prior to the accession of Lithuania’s trading partners, first of all Russia, Ukraine and Belarus. The difficulties and challenges that faced Lithuania in acceding to the current provisions of the WTO, especially in the area of agriculture, would have been extended and intensified in the new round. Moreover, the government of Lithuania believed that, if acceded early, it would be provided with more instruments to defend the country’s interests in the area of trade by participating in further world trade negotiations. While countries join the WTO on terms to be agreed with existing members, the final outcome during a general round of trade negotiations is determined through the assent to each contracting party. Hence, during a trade negotiation round, as opposed to membership talks, countries involved in negotiations are able to extract concessions. That could be illustrated by the Lithuania’s initiative during the WTO Doha Conference in 2001. Lithuania formed a group of eight recently acceded countries to seek special provisions regarding the extensive commitments of recently acceded countries on market access in the undergoing new round of negotiations.

The same was true about Russia (as well as Ukraine and Belarus). The government of Lithuania had a great interest in Russia’s membership in the WTO – it saw the accession process as a good opportunity to improve the conditions of business-making with Russia and so make the Russian trade
regime more stable and predictable – but only after its own accession. The bilateral negotiations would have been more complex and involved larger concessions, Russia had joined the WTO earlier. On the other hand, Lithuania was interested to join the WTO before Russia, so it could negotiate for the better trade conditions with Russia, and seek the elimination of discriminative trade regime, there had been such. Indeed, shortly after the completion of its accession process, Lithuania joined Russia’s Working Party and at once submitted its negotiating position on conditions of liberalization of Lithuanian export to Russia: the review of Russian import and export tariffs and the liberalization of Russian service market.9

All these background conditions suggested that the Government of Lithuania would seek a speedy accession to the WTO and would willingly adopt a liberal negotiation strategy aimed at this objective. However, that was not the case, since Lithuania adopted a rather strict negotiating strategy that was especially apparent in pursuing agricultural talks, during which the Lithuanian government sought to obtain a fairly high level of protection of its agricultural sector. Much in shaping of such government’s strategy could also be attributed to the influence of individual and group interests, the Association of the Agricultural Producers in particular that promoted a great amount of protectionists’ sentiment within the Lithuanian government. It was suggested that in a country with almost 20 percent of the population working in the agricultural sector, a powerful interest group would naturally emerge and become a significant determinant in the bargaining behavior of the government.10

Yet what, on what level, and on what conditions determines a negotiator’s strategies: the strategic economic foreign policy priorities, as expressed in the program of the government, or special interests, as sought by the interest groups?

3. The institutional structure of negotiations: Lithuania

Another equally important question is, what consequences for the process and outcome of negotiations does the institutional structure have? This inquiry does not only imply the link between the soundness of institutional arrangement and power to withstand pressure from interests groups, but also the link between the institutional arrangement and negotiation capabilities in general. The following section looks at Lithuania’s institutional structure of negotiations.

The Lithuanian institutional structure of negotiations in the framework of the country’s accession to the WTO was closely integrated into the Lithuanian bureaucracy (Figure 1). As a rule, negotiations and implementation of trade agreements in Lithuania are supervised by the Economic Department of the
Ministry of Foreign Affairs (MFA). It is somewhat a distinctive practice since it would have been natural to see the Ministry of Economy, or the then existing Ministry of Industry and Trade to have a leading role in the WTO accession process, as it was the case in many other countries. It was the result of the recognition by the government that the MFA had more experience in dealing with foreign partners compared to other ministries in the government apparatus.

Since the very beginning the Lithuanian delegation team on the accession to the WTO was headed by Algimantas Rimkūnas, Deputy Minister of Foreign Affairs and a career official. Negotiations were conducted by specialists from various governmental ministries and departments, while the Economic Department of MFA coordinated the process and provided for managerial accountability. This work in the MFA was handled basically by 5-6 professionals. During the peak period of negotiations, the Economic Department organized more or less daily coordination gatherings. These meetings also verified the conformity of the legislation prepared by other ministries. Technical aspects of negotiations were handled in close cooperation with other key ministers such as the Ministry of Agriculture, the Ministry of Economy, the Customs Department, the Patent Office and the Ministry of Culture.
The parliament also played a very distinctive role during the accession process, since, according to the WTO provisions, the commitments codified in the accession protocol must be ratified by parliament before the full WTO membership is achieved. Because of some sensitive agricultural issues, the MFA cooperated closely with the Parliament’s Committee on Rural Affairs. Other Parliament’s committees were also informed and likewise involved, especially, the Committee of Foreign Affairs.

An important part in the negotiations was played by the Permanent Mission to the United Nations in Geneva, as well as by other diplomatic representations in the capitals of the main negotiating partners, particularly in Ottawa, Washington and Brussels. Since negotiations were delegated to MFA, communication with and instructions to the Permanent Mission proceeded smoothly and without any significant problems. In particular, during the very intensive final stage of accession when the concern was to eliminate some remaining obstacles with the U.S., Canada, New Zealand and others, effective and timely communication was one vital prerequisite for asserting as many identified national bargaining positions as possible.

However, the coordination was smooth not with all institutions. The MFA was faced with a serious internal conflict with the Ministry of Agriculture about the negotiation strategy concerning market access and subsidies for agricultural products. At least in one instance, the senior official who had to represent the Ministry of Agriculture in the negotiation team in Geneva even failed to show up in the meeting.

In such cases it is especially important that the negotiation team would have a proper allocation of authority to conduct negotiations, as well as a full understanding and support from the center of government. The Lithuanian negotiators had, in theory, full latitude to conduct negotiations, as long as they remained within the parameters of the negotiating mandate, granted by the government. Moreover, as it has been mentioned already, the membership in the WTO was a foreign economic policy priority to all governments; therefore the negotiators could have expected a solid political support. However, a further analysis would be needed to test how this power was used in practice and to evaluate what bargaining power Lithuania’s structural arrangement granted to negotiators.

4. Overview of Lithuania’s WTO accession process

This section will enumerate Lithuania’s accession process (Figure 2 presents a flow chart and the timetable). The process of accession can be divided into the introductory phase of formalities and three substantive phases. The three substantive phases involve: the applicant’s preparation of a Memorandum on
Figure 2. Flow chart and a timetable of Lithuania’s accession to the WTO

the Foreign Trade Regime, the members’ fact-finding phase, and the negotiation phase. The last two phases, while conceptually separate, in practice tend to overlap considerably in time. 17

The process of Lithuania’s accession to the WTO began in January 1994, when it applied for accession to the General Agreement on Tariffs and Trade. Following the conclusion of the Uruguay Round of GATT negotiations and the establishment of the WTO, Lithuania requested accession to the WTO, as provided by Article XII of the Marrakesh Agreement. In accordance with the
WTO procedures, WTO Council representatives established a Working Party on 22 February 1994, under the chairmanship of Mr. Peter Witt of Germany, consisting of all the members of the WTO interested in negotiations with Lithuania. Eighteen countries joined the Working Party in 1995, including such large trading countries as Australia, Canada, the European Union, Japan, New Zealand, Norway, Switzerland and the United States of America, a few of the larger trading developing countries (Argentina, Cuba, India, Korea, Mexico, Pakistan), and neighboring or regional countries, which were also significant as trading partners (Czech Republic, Hungary, Poland and Slovak Republic).

In the context of multilateral trade negotiations, the United States along with Australia, Canada, New Zealand, which are the members of the Cairns Group of 17 agricultural exporting countries that account for one-third of the world's agricultural exports and promote liberalizing rules for trade in agricultural exports, were known as the most outspoken negotiation partners.

On 14 December 1994, Lithuania presented its Memorandum on Foreign Trade Policy, including the list of laws and regulations, to the WTO Secretariat. The Memorandum gave a comprehensive description of Lithuania's economic situation, economic policy measures implemented, and the legislative system in effect that had a bearing on the WTO Agreements. Once submitted, the Memorandum formed the basis for the detailed fact-finding by the Working Party. A round of questions from WTO Working Party members about Lithuania's memorandum, followed by Lithuania's responses as well as submission of additional laws and regulations, was completed in September 1995. Approximately 200 questions from the WTO Member States were received, requesting specific details of regulatory procedures for various industry branches. The Working Party typically does not meet until the Memorandum and the initial questions and answers have been distributed. It took 11 months for Lithuania to complete this stage, approximately in line with an average time. The first Working Party meeting on Lithuania's WTO accession was held on 10 November, 1995, during which the Memorandum and Lithuania's responses to the questions of the Member States concerning the Memorandum were discussed. From early 1996 through late 2000, there were additional four formal meetings of the Working Party to investigate the Lithuanian trade regimes. In all, five Working Party meetings were held in the context of Lithuania's WTO accession, during which Lithuania had to provide answers to more than 600 questions, hundreds of pages of laws and regulations, and other explanatory notes.

The most distinctive aspect of Lithuania's accession process was the gap of 43 months between the last two meetings and the gap of 40 months from the submission of the first Draft Report of the Working Party in June 1997,
summarizing the discussions of the Working Party, to its approval in October 2000. This slowdown was the consequence of the negotiation phase of the accession process.

The negotiations stage, whereby Lithuania engaged in parallel multilateral and bilateral talks with members of the Working Party, began in 1996, when the examination of the Lithuanian foreign trade regime was advanced already far enough. The multilateral negotiations related to three main areas: rules in goods, including systemic agricultural issues, TRIPS, and services. The bilateral negotiations related to market access concessions in goods and commitments in the services sector. Lithuania submitted its offer of initial commitments on trade in services and initial commitments relating to domestic support and export subsidies in agriculture in July 1996, and its addition initial offer for market access negotiations on goods in October 1996. By the May of 1998, Lithuania practically finalized negotiations on tariff bindings for industrial products and commitments on trade in service. However, the progress in negotiations over agricultural issues was slow. Talks ended in a deadlock as a time schedule self, imposed by the government and affected by the prospects of joining the EU, began to loom. After much deliberation with negotiation partners as well as with domestic actors, a compromise agreement was reached, and Lithuania finally formally wrapped up the WTO membership negotiations on 2 October 2000. On 7 December 2000, the Working Party drew up its Draft Report and sent it to the General Council along with the Draft Protocol of Accession. The bilateral tariff, non-tariff, and market access commitments, agreed to by the Working Party, were combined to form the draft protocol. In all, more than 10 rounds of multilateral negotiations and 15 rounds of bilateral negotiations, as well as 7 rounds of plurilateral negotiations regarding agricultural subsidies, were held.

The WTO General Council approved Lithuania's negotiation results by the required two-third majority on the 8 December 2000. Following the General Council's approval, Lithuania's Minister of Foreign Affairs signed the original copy of the terms of accession subject to ratification. At the signing ceremony the WTO's General Secretary Mr. Moore said: “Lithuania's forthcoming accession is good news for the country and good news for the WTO. Lithuania now has a stable and predictable framework for economic engagement with other nations, which will boost trade, growth and prosperity. For the WTO it means another big step in our goal of becoming a truly world organization”.

In his turn, President Adamkus of Lithuania stated that membership “will secure and consolidate [Lithuania's] due place in the global network of economic interdependence” and that “Lithuania is committed to further pursue the principles of liberal trade, as only they can bring the best output for all of us”.

Rolandas Kaënskas
In accordance with the WTO provisions, Lithuanian parliament ratified the negotiation results and the commitments made in the fields of trade policy on 24 April 2001, by a vote of 71 to 12 with 16 abstentions. Ratification encountered little resistance at the parliament, although the Committee on Rural Affairs did not approve the ratification in its sitting on April 11 on the grounds that agreed conditions place Lithuanian agricultural sector in a discriminatory position. On 31 May 2001, thirty days after the notification of the WTO Secretariat on the ratification, Lithuania officially became the 141st member of the WTO. Lithuania followed Croatia and Oman, which joined the WTO in November and left 28 countries still negotiating to join, including China, which eventually concluded its 14-year long negotiations and became the WTO member on 11 December 2001, and Russia, which is still in the process of joining.

In conclusion, the following observation can be made. Lithuania's WTO accession process was a demanding and lengthy endeavor. Many accession procedures, such as preparation of a Memorandum and the members' fact-finding phase, objectively required a great amount of time, hence making this particular part of the accession process the sole responsibility of Lithuania. While overall it was not very distinctive in this respect from other accession cases, the negotiation phase of Lithuania's accession process was rather interesting, and not only in terms of its length, but also in terms of its complexity. Some stages of talks on agricultural issues were extremely unfruitful, characterized by an inordinately low degree of progress, where any further action or discussion by either side seemed to be impossible.

5. Overview of Negotiations and Issues

The core requirements for accession are standard for all countries seeking membership in the WTO. Like all the other applicants, Lithuania had to accept all WTO Multilateral Trade Agreements as a precondition for its WTO membership, and negotiate agreed commitments on market access (Table 1 illustrates the basic structure of the WTO Agreements). Hence, Lithuania's accession negotiations took place on two tracks: (1) a multilateral track involving the Working Party, aimed at identifying elements of Lithuania's foreign trade regime that conflicted with the WTO obligations, and (2) a bilateral track between Lithuania and those individual Members who wished to negotiate market access commitments involving specific goods and services. The results of these bilateral negotiations were applied to all Members under the principle of “most-favored-nation treatment.”

However, the negotiations, first and foremost, are in one direction only: the applicant is asked to demonstrate how it intends to meet the existing
Table 1. The basic structure of the WTO Agreements

<table>
<thead>
<tr>
<th>Basic principles</th>
<th>Goods</th>
<th>Services</th>
<th>Intellectual Property</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GATT</td>
<td>GATS</td>
<td>TRIPS</td>
</tr>
<tr>
<td>Extra agreements/annexes dealing with the special requirements of specific sectors or issues</td>
<td>- Agriculture - Health regulations for farm products (SPS) - Textiles and clothing - Product standards (TBT) - Investment measures (TRIMS)</td>
<td>- Movement of natural persons - Air transport - Financial services - Shipping - Telecommunications</td>
<td></td>
</tr>
<tr>
<td>Market Access Commitments</td>
<td>Countries’ Schedules of commitments</td>
<td>Countries’ Schedules of commitments</td>
<td></td>
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</tbody>
</table>


WTO provisions; it can not change them. The existing members can ask the applicant for additional commitments (e.g. to reduce the level of protection in its markets), but the reverse is not usually the case. The tariff commitments of the members are fixed by previous rounds of WTO/GATT negotiations, and are not altered in the accession negotiations.

Yet WTO accession is a negotiation process. Article XII of the Marrakesh Agreement Establishing the World Trade Organization, which provides for accession, states that “any state [...] may accede to the WTO on terms to be agreed between such states or separate customs territory and the members of the WTO.” The phrase “on terms to be agreed” necessitates that the accession process is a series of negotiations between the applicants and the members of the WTO. It provides the opportunity for agreeing special arrangements: for example, it is possible to get an extension (a transition period) for the implementation of certain provisions.

(a) The negotiations on rules

By deciding to join WTO, Lithuania indicated its willingness to accept and implement WTO disciplines upon accession, and it took serious steps
toward bringing its legislation into conformity with this WTO requirement. During this process, Lithuania had to present a plan and timetable showing what steps it took toward conformity, what remained to be done, and how and when it expected to complete this process. This was then the subject of negotiations in the Working Party on the terms to be included in the Protocol, binding the acceding country to observe the rules contained in the Agreement establishing the WTO. The Protocol also bound it to observe specific commitments.

The fact that Lithuania was a transitional economy brought certain concerns to the accession process. The WTO treaties contained very few provisions regarding the countries in transition. For example, in a request for transitional period to implement specific provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures, the Lithuanian party stated that “with its small economy still at the stage of recovery from a command economy, Lithuania faces a number of difficulties to fully bring its SPS measures in line with WTO requirements.”

The request also noted that considerable human and administrative resources were needed to draft the legislation and regulations, to set up the various regulatory bodies, to build laboratories, and to ensure transparency through publication, notification, translation into English, etc.

However, many members of the Working Party argued that a transitional period should not be granted neither for the implementation of SPS provisions, or for any other. As the result of these deliberations, despite difficulties associated with restructuring its economy, by 1998 Lithuania committed itself to implementing all multilateral agreements of the WTO without transition periods. In particular, Lithuania indicated that it would implement the WTO Agreements on TRIPS, TBT, SPS, Customs Valuation and Import Licensing Procedures. Lithuania also confirmed that certain measures would be revised to bring them into line with the WTO provisions. These included elimination of minimum import valuation; discriminatory taxes on some imports; quantitative restrictions on certain imports; non-tariff measures on imports of sugar; and discretionary licensing for imports of alcoholic beverages. In addition, Lithuania stated that it did not apply measures that conflict with the WTO Agreements on Subsidies and Countervailing Measures or TRIMS, and agreed to join the Agreements on Government Procurement and Trade in Civil Aircraft. Thus, by mid-1998 Lithuania believed that it entered the final stage of the multilateral negotiations that ought to be successfully completed by the course of that year.

However, Lithuania’s Working Party contended that before granting Lithuania a membership status in WTO, Lithuania still had to do much work. Thus the pace of progress in these negotiations to a large extent depended on how quickly Lithuania could implement these WTO Agreements in its trade
regime and eliminate WTO-inconsistent measures still in place. The discussions on commitments on rules were also sometimes dealt bilaterally. For instance, the U.S. was especially keen in demanding the kind of trade regime it wanted to see. The issue over Protection of Intellectual Property Rights (IPR) illustrates this especially well. Lithuania was required to provide adequate protection measures for intellectual property, and the Lithuanian government took steps to create a necessary legal framework to implement these commitments. Nevertheless, on 1 May 2000 Lithuania was placed for the first time on the “Special 301 Watch List” by the United States Trade Representative (USTR) Charlene Barshefsky in her annual review of intellectual property protection by U.S. trading partners that lack legislation to control pirate optical media production and exports of CDs and CD-ROMs. Such situation prompted the U.S to argue that the inability of Lithuania to cope with requirements hurted Lithuania’s accession to the WTO. Other major issues raised by the WTO members, which were clarified by Lithuania through subsequent talks, were questions related on customs matters, the import-export licensing regime, privatization and state-trading enterprises, technical barriers to trade. On these and other issues Lithuania was required to make specific commitments (28 in all).

Yet, multilateral negotiations on rules were not the most problematic ones in terms of Lithuania’s accession to the WTO. As a result of the extensive activities, most of the Lithuania’s WTO related legislation was brought into conformity with the WTO disciplines as early as the beginning of 1999. Lithuania also committed to implementing all multilateral agreements without any transitional period so allowing to complete multilateral negotiations and prepare the final Report of the Working Party, provided that bilateral and plurilateral issues were settled.

(b) Market access negotiations

Market access negotiations were conducted mostly bilaterally and consisted of: (a) the detailed schedule of tariffs that Lithuania had to present to impose on goods as well as the level at which Lithuania had to propose to “bound” these tariffs. Once agreed on tariff level, Lithuania would not be able to increase tariffs beyond the agreed level, except in some well defined circumstances (although a country’s applied tariff can be lower than its bound level); (b) the commitments that Lithuania had to make to maintain free access to its market for services. In addition, Lithuania was requested to make a commitment regarding the level of support it planed to provide to its agricultural sector relative to a base period (usually three years before the application for accession), as well as other aspects of its support for agricultural trade, such as export
subsidies. These talks took place in plurilateral meetings conducted by Lithuania with interested WTO members.

The U.S., Australia, Canada and New Zealand were the countries, most actively engaged in market access negotiations. Other countries engaged in negotiations were Ecuador, Cuba, Poland, Switzerland, and Mexico. The U.S. was undoubtedly the undisputable leader of the negotiations with Lithuania in the context of the WTO accession: it was active in the negotiations regarding all chapters. Canada, New Zealand and Australia were mostly engaged in the agricultural tariff questions along with other areas of agricultural policy, including export subsidies and domestic support. Switzerland was interested only in trade in services, Poland - in services and agricultural goods, Mexico - in alcoholic drinks. Meanwhile, the European Commission of the European Union did not conduct market access negotiations with Lithuania - since the conclusion of the European Agreement in June 1995, trade relations between the EU and Lithuania have been governed by the reciprocal free trade between the EU and Lithuania. But as parallel to the accession to the WTO, Lithuania was also a candidate for accession to the EU. The EU therefore worked closely with the Lithuanian authorities during the course of the WTO negotiations to ensure that any potential conflict was avoided between the obligations that Lithuania would accept on its accession to WTO and those that it would assume in the future, when it became a member of the European Union. Depending on this interest, the EU sometimes supported Lithuania in its negotiations with other members of the Working Party, sometimes not.

The overlapping nature of the EU and WTO accessions influenced Lithuania’s WTO accession talks in some other ways too. Lithuania’s accession came to grips with the EU-US disagreement over the appropriate commitments in the audiovisual sector, including such topics as “screen quotas” for European films and television programs. The EU wanted Lithuania to make the same commitments that all EU members had made - specifically, taking the necessary legal steps to maintain a quota reserving 51 percent of commercial airtime for European works. The U.S. strongly disapproved of such an exemption. Thus, this conflict had effectively held up Lithuania’s accession process through no fault of its own. Similar difficulties were experienced in talks on agriculture. Lithuania complained that the requirements set by the EU were not always in line with the requirements of the WTO, and Lithuania found it difficult to balance them.

On the whole, negotiations regarding trade in non-agricultural goods did not cause many problems. Table 2 shows the most-favored-nation bindings that Lithuania has made in its Schedule. Lithuania offered to reduce its average tariff rate for industrial products covered on 5330 items to 8.2 per cent in
simple average, as a result of the bilateral negotiations with the Member countries. Lithuania listed and bound all non-agricultural items individually. Table 2 also shows the number of zero bindings made by Lithuania. This reflects the fact that Lithuania joined in so-called “zero-for-zero” initiatives negotiated among a limited number of participants in the Uruguay Round in the following sectors: agricultural equipment, beer, most chemicals, construction equipment, some furniture, medical equipment, most paper, pharmaceuticals, steel, toys and Information Technology Products\textsuperscript{35}.

Regarding trade in services, Lithuania also submitted to WTO members a comprehensive market-opening offer. Overall, Lithuania has entered commitments in a large number of sectors, unlike some original Members in the Uruguay Round. The broad picture is therefore one of wide sectoral coverage, although there are some relevant exclusions and some far-reaching MFN exemptions, namely in legal services (attorneys require bilateral legal assistance

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Table 2. Tariff bindings of Lithuania

<table>
<thead>
<tr>
<th>No. of Tariff Items</th>
<th>Agricultural products</th>
<th>Non-agricultural products</th>
</tr>
</thead>
<tbody>
<tr>
<td>970</td>
<td>5330</td>
<td></td>
</tr>
<tr>
<td>969</td>
<td>5330</td>
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</tr>
<tr>
<td>114</td>
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<tr>
<td>64</td>
<td>1571</td>
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<tr>
<td>107</td>
<td>276</td>
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<tr>
<td>290</td>
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</tr>
<tr>
<td>123</td>
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<td>48</td>
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<td>7</td>
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<td></td>
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<tr>
<td>15.6</td>
<td>8.2</td>
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<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

agreements); audiovisual services (services based on European agreements, bilateral agreements on co-production and European support programs); tourist guide services (based on reciprocal bilateral agreements); road transport, passenger and freight services (based on bilateral agreements); sale and marketing of air transport services and computer reservation systems (bilateral agreements); purchase of land (acquisition procedure established by constitutional law). Of the other sectors it is worth mentioning telecommunication services. The member states, first of all the U.S., insisted on further market access liberalization in the sector of telecommunication services, where Lithuania faced a monopoly problem. Here the negotiations were completed after Lithuania had clearly demonstrated to the U.S. its willingness and readiness to further liberalize its markets following 1 January 2003 expiration of the exclusive monopoly rights of “Lietuvos Telekomas”.

(c) Agricultural issues

While bilateral market access negotiations moved faster on trade in services and goods, substantial differences were recorded in negotiations over agricultural issues. Eventually, the entire Lithuania’s WTO negotiations boiled down to the three most contentious issues, namely market access commitments for agricultural products, agricultural domestic supports and agricultural export subsidies. The main players in these plurilateral negotiations were Australia, Canada, New Zealand, and the United States.

Trade in agricultural goods The negotiations on market access commitments contained three main elements: tariff offers, minimum access commitments and special safeguard measures. The initial draft schedule of tariff commitments and concessions, submitted by Lithuania in 1996, did not meet expectations of the several key members of the Working Party. It was noted that Lithuania’s offer called for bindings that on average exceeded tariff rates on agricultural products that were at that time applied in Lithuania, and only in few instances Lithuania offered bindings that were lower than the rates applied at that time. Moreover, the opposing party maintained that the time frame proposed for staging in agricultural tariff reductions was too long and called for the use of staging period ending in 2003. The negotiations on “bindings” became even more complicated after Lithuania increased the applied tariffs on some sensitive products following the Russian economic crisis in 1998 as means to defend country’s agricultural sector from the consequences of the Russian crisis. Especially intense negotiations were over key agricultural items of interest to the members of the Working Party, particularly the U.S. and Cairns Group countries, which demanded bindings below Lithuania’s applied tariffs on such
products as frozen poultry, pork, beef, grains, processed foods and some other items\textsuperscript{39}. Less rigid disagreements were reported in other areas of the market access negotiations - minimum access commitments\textsuperscript{40} and special safeguard measures - although on these issues parties had to reconcile their differences too. Lithuania requested minimum market access arrangements for four products, including sugar, and wanted to use the special agricultural safeguard. However, the WTO members extended little flexibility with regard to quotas and they also stated that the use of the special agricultural safeguard was not acceptable.

Domestic supports: On domestic agricultural supports, the WTO Secretariat’s Technical Note explains that “the Agreements on Agriculture provides that domestic support measures in the “green box” are not subject to limitation but that non-product-specific and product-specific domestic measures in the “amber box” maintained in the base period must be reduced and bound if they are above the relevant “de minimis” levels laid down in the Agreement, which is 5 percent of the value of total agricultural production of the country in question for developed countries and 10 per cent for developing countries.”\textsuperscript{41} In the process of the negotiations, after analyzing the base period of 1995-97 (used for the calculation of domestic support commitments as well as export subsidy commitments)\textsuperscript{42}, it has been established that the government of Lithuania uses the “amber box” type measures and that the Aggregate Level of Support (AMS) is close to 14 per cent - i.e. above 5 per cent “de minimis” level.\textsuperscript{43} The negotiating partners sought its reduction by 20 per cent, as provided by the WTO provisions. Equally disputable was the calculation method used for determining the AMS level. It became especially challenging in the last stage of negotiations. The circumstances surrounding these talks will be reviewed later on. As for now, it can be said that in 1999 only the minor structural and methodological issues were discussed. Request on the 20 percent reduction of a total support was a key one.

Export subsidies: Turning to agricultural export subsidies, the Agreement on Agriculture lays down that export subsidies maintained in the base period must be reduced and bound. In the Working Party Report of Lithuania it is stated that “the Government of Lithuania had provided export subsidies for beef, pork, pigs, butter, cheese, grain, flour, condensed milk and milk powder in 1995; beef, butter, condensed milk, milk powder, cheese, pork, grain and flour in 1996; beef, butter, condensed milk, milk powder, cheese, pork, grain, vegetable oil, meat preserves and flour in 1997; beef, butter, condensed milk, milk powder, cheese, butter, condensed milk, milk powder, cheese, casein and other milk protein products, vegetable oil and preserved meat in 1998, and beef, butter, condensed milk, milk powder, cheese, casein and other milk protein products, and vegetable oil in 1999.”\textsuperscript{44} Lithuania wanted to continue to use
some export subsidies or, at least, to have a transitional period during which it would be ready to eliminate export subsidies. As in case of domestic support, Lithuania argued that a transitional nature of its economy, backwardness of agricultural sector and loss of traditional trade markets in the East determined that Lithuanian products were not able to enter and compete in Western markets. Moreover, it was stated that the processing industry could not be restructured without the subsidized export. Consequently, export subsidies were the only way to dispose of rapidly increasing production and becoming a surplus as internal demand was still sluggish because of low incomes. As Lithuanian negotiators put it, “application or non-application of export subsidies in Lithuania is not a theoretical issue – it is an economic reality”. However, regardless of an attempt by the Lithuanian delegation to argue that request to eliminate export subsidies for Lithuania was not reasonable and that the Agreement on Agriculture did not preclude from the use of such kind of measures in agriculture, the U.S. and Cairns Group countries signaled that any proposal to use agricultural export subsidies was very contentious and exerted a significant pressure on Lithuania to end all export subsidies.

The member states’ and Lithuania’s positions on agricultural issues were rather tough. Taken as a whole, the talks on export subsidies were closely linked to discussions on domestic support and tariffs – all these three questions were dealt with as a package. And although much was accomplished in Lithuania’s WTO accession negotiations during the long months of discussion in 1994-99, agricultural issues continued to pose problems as irritation over never ending negotiations began to loom.

In 1999, the negotiations came to a halt. The U.S. along with the countries of the Cairns Group and Lithuania failed to address incompatible positions. The position of the Lithuanian government was to carry on with the negotiations only on the basis of the Uruguay Round agreements, and in consistency with Lithuania’s own economic development level, and the principle of achieving a balance between rights and obligations. As the head of the Lithuanian delegation A. Rimkūnas put it, Lithuania will “take no more obligations than it is possible to implement without making huge negative impacts on the country’s economy.” In advancing its cause, the Lithuanian delegation was exploring a topic of fairness and objectivity, questioning “the new style” of accession to the WTO and directing attention toward a transitional nature of the country’s economy. Lithuania argued that the scope of accession negotiations had gone beyond the provisions of the WTO Agreements. Moreover, the WTO member states started demanding a WTO membership “entry fee” that prospective members had to pay. According to A. Rimkūnas, “already it is not enough to fulfill the fundamental requirements, but the applicants, whatever their level of
economic development, by the unilateral “requests” of the members states are asked to fulfill the commitments that exceed those of the most advanced WTO Member States and powerful global economies. As a consequence, some accession negotiations have encountered undue delay. It is not surprising then that the WTO negotiations for membership even with small countries with economies more liberal than those of some two-thirds of the present WTO member states have been lasting for years.

The way out of an impasse was sought by taking the negotiations onto political level. The situation was addressed in a number of high level meetings, including the Lithuanian Prime Minister Gediminas Vagnorius’ visit to the U.S. on 14-17 March of 1999, where he discussed the WTO accession topic with U.S. Vice President Al Gore and U.S. Trade Representative Charlene Barshefsky. Lithuania also requested the political support of the EC, asking to intercede on behalf of Lithuania in Washington, Ottawa, Canberra and Geneva. And although President Romano Prodi and Commissioner Gunter Verheugen of the EC, while visiting Vilnius on 10-11 February 2000 and 11-12 November 1999, respectively, promised to support Lithuania in persuading other key negotiating partners to conclude bilateral negotiations quickly, Lithuanian negotiators' efforts to avoid by such tactic agricultural disciplines was not to be.

On the domestic level, there were problems, too. Since during the negotiations with the WTO members it occurred that the desired result was not likely to be achieved, tensions arose about the negotiation strategy. The Ministry of Agriculture and the Association of the Agricultural Producers opted for a delay in the negotiations. The Ministry of Foreign Affairs was much in favor of a revision of the domestic agricultural policy in order to comply with the time frame set for full WTO membership. Following the very hard and complex internal discussions, finally, the case had to be arbitrated by the Prime Minister.

During the consequent round of negotiations on 10-14 April 2000 in Geneva, in an attempt to jump start deadlocked talks and finally bring them to an end, the government mandated the Lithuanian negotiators to propose a trade-off: Lithuania would be ready to eliminate export subsidies by the date of accession to the WTO and accommodate the request of 20 percent AMS reduction over four years of the transitional period, compensating it with a measured increase of a currently bound tariff level for the most sensitive agricultural products.
However, the U.S., Canada, New Zealand and Australia rejected this new compromised proposal. Some countries expressed a position that it was not a concession, because Lithuania had had no right to apply export subsidies, and therefore it not only had to non-arbitrarily accept requirement of twenty percent reduction of AMS, but even make further reductions on import tariffs. Moreover, although Lithuania was ready to accommodate the request on the twenty percent reduction of a total domestic support figure within the package of a new proposal, the Lithuania’s negotiating parties refused to accept Lithuania’s calculations as a correct formula for domestic support commitments, stating that Lithuania, among other things, used “wrong” market price support calculations, reference prices, as well as possible “double-counting,” and were arguing for the application of technical parameters that, if used to specify support levels, would likely require more than double reduction commitments from Lithuania. Meanwhile, the Lithuanian delegation argued that in calculation of the AMS level there were no “wrong” and “good” prices, and that they were subjects of negotiation. As observed earlier, the request on other methodology of calculations was explicitly presented only during the aforementioned plurilateral meeting in April, following Lithuania’s compromise proposal. Consequently, the Lithuanian delegation stated that the WTO members destroyed all the efforts of Lithuania, and all the work done in seeking a compromise solution in the negotiations on agriculture. Talks ended in a deadlock.

Deadlocked negotiations are usually dangerous, unproductive and often long lasting, but in this case it persisted for only over a month. Lithuanian negotiators claimed a breakthrough in talks in Geneva on May 23-24, after the key negotiating party, the United States, showed, according to the head of the Lithuanian delegation Mr. Rimkus, a “good will” to solve remaining outstanding issues, and to conclude negotiations under conditions close to the Lithuania’s compromise proposal. Another month later, Lithuania finished bilateral negotiations with the U.S.

To the Lithuanian delegation, the “good will” to conclude the bilateral talks, shown by the American side, was unexpected. What prompted the U.S. to re-evaluate its positions? The answer is somewhat puzzling as the recorded documentation, which may perhaps have given clues, could not be obtained.

Following the deadlock in April, the prevailing mood among the negotiators was hardly optimistic. Numerous Lithuanian calls asking the U.S. partners to meet for talks remained unanswered. And although there was yet no strategy on what to do next, the continuous requests of some WTO members to extensively liberalize trade in politically, economically and socially sensitive agricultural and food sector started to create an adverse reaction not only in the Ministry of Agriculture and the Association of the Agricultural Producers, but
also in the Lithuanian Parliament. More voices started arguing that instead of making any concessions Lithuania should withdraw from the talks whatsoever, and wait until it joins the European Union. Theoretically such course of the events would have been possible. Without a doubt, the decision to postpone the country’s WTO membership would have induced huge political costs on the government. However, if the negotiating partners did not agree to the Lithuanian compromise offer, it is possible that the government would have made up its mind or would have been compelled to postpone Lithuania’s membership in the WTO either until the country’s accession to the EU, or at least indefinitely until new circumstances surfaced. It could even be speculated that the U.S., which was familiar with this option, took notice and ultimately decided to conclude negotiations in line with Lithuania’s conditions, rather then face the danger of the eventual representation by the European Commission.

However, a more realistic explanation of as to why the U.S. showed a “good will” in negotiations with Lithuania could be related to the confusion that become prevalent in the international trade system after the WTO’s Seattle crisis. The December 1999 failure of the Seattle trade ministerial to launch a new round of multilateral trade negotiations caused a major blow to WTO, to the point where even the WTO legitimacy appeared under a cloud. It has been argued that disagreement among the major powers over the future WTO agenda caused a certain concern with the Lithuanian political elite, and raised some skepticism among Lithuanian public at large. Moreover, Seattle’s breakdown was widely perceived as the U.S. failure. It left a huge question mark over the U.S. role in the global trade policy. To the U.S., Seattle symbolized lost control over the trade and investment policy. The U.S. sought to regain the momentum lost after Seattle 1999, and show that WTO still remained a vital institution. The accession of new countries into the WTO was perceived as a part of a broader strategy toward this end. In fact, the office of the U.S. Trade Representative declared the accession of new countries as one of the central tasks for the WTO in 2000.

It could be suggested, therefore, that time was not on the U.S.’s side during its dealings with Lithuania. It is also possible that by agreeing to conclude the bilateral negotiations, the U.S. hoped that other countries of the Cairns Group would not yield to Lithuania, which would have let the Americans to save the face. And although some countries, and Canada in particular, continued to demand better conditions, Lithuania refused to bow to the pressure. Lithuania finalized negotiations with Canada, Australia and New Zealand in September. About the same time Lithuania concluded talks with the remaining countries.

As a result of these negotiations, Lithuania agreed to eliminate agricultural export subsidies upon accession, but it succeeded in obtaining bigger domestic
support to agricultural sector, which was subject for reduction by twenty percent by 2005. In addition, Lithuania had to revise import duties tariffs, some of which became subject to transition periods. Lithuania listed and bound all agricultural items (970) individually. The simple average of Lithuania’s agricultural bindings is 15.6 percent. However, on the most “sensitive” products Lithuania secured a higher protection level. For instance, customs duty for pork is due to melt from 35 to 30 percent by 2004, duties for cattle, pork, veal, goat meat and other sub-products will lower from 30 to 20 percent by 2005, butter and other diary fats – from 60 to 40 percent by 2007, cheese and curds – from 46 to 36 percent by 2004, and confectionary products – 40 to 30 percent by 2004.

If compared to other accession cases, it should be noted that while there are no big differences between the terms of accessions, Lithuania did succeed in its negotiations on agriculture in obtaining AMS. Latvia and Estonia, as well as other newly acceded former Soviet Union countries (Georgia, Kyrgyzstan), meantime, have been allowed only 5 percent de minimis level of support. Table 3 illustrates the WTO commitments of Lithuania, Latvia and Estonia.

### Table 3. Comparison of the WTO commitments of Lithuania, Latvia and Estonia

<table>
<thead>
<tr>
<th></th>
<th>Lithuania</th>
<th>Latvia</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tariff Quotas</strong></td>
<td>4 TRQ</td>
<td>4 TRQ</td>
<td>No TRQ</td>
</tr>
<tr>
<td><strong>AMS Initial</strong></td>
<td>US$ 113.5 million (2001)</td>
<td>No AMS</td>
<td>No AMS</td>
</tr>
<tr>
<td><strong>AMS Final</strong></td>
<td>US$ 94.6 million (2005)</td>
<td>AMS below de minimis 5 per cent</td>
<td>AMS below de minimis 5 per cent</td>
</tr>
<tr>
<td><strong>Export Subsidies Initial</strong></td>
<td>1999: US$ 14 million</td>
<td>1998: Lats 0.8 million</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Export Subsidies Final</strong></td>
<td>None</td>
<td>2001: Lats 0.6</td>
<td>None</td>
</tr>
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6. Conclusions

As one might have noticed, this paper asks, not answers. This was the main purpose of it: with the help of an overview of Lithuania’s WTO negotiations, to highlight the important and provoking questions that might direct further investigations in the study of negotiations.

However, something could already be told. The overview indicated that notwithstanding general difficulties associated with Lithuania’s accession to
the WTO, the length and results of accession process depend on actual negotiations. The negotiations were the most critical element of Lithuania’s WTO accession process. While, overall, international political conditions favored the expansion of the WTO, at the end, it were the economic considerations that decided the outcomes. The US and other important trading countries did not want to accept arrangements that would have worsened their relative trade positions, and did not yield acceptable commitments for key products. Thus the hypothesis that friends and allies behave differently from adversaries in a bargaining situation had little evidence in this case. Moreover, many factors in negotiations were out of control for Lithuania (or any other newly acceding country). The WTO treaties contain very few provisions regarding the countries in transition. The nature of the WTO accession process means that quite different membership criteria are applied to applicant countries in comparison to the founding members, with the former ones being at a disadvantage. This pushes the balance of power in negotiations away from the applicant country. Furthermore, the fact that Lithuania lacked the alternative to the membership in the WTO, also contributed to this.

Yet, acceding countries can control some aspects of negotiations. First of all, they can control the speed of the accession. It has been suggested that the speed of the accession depends on the willingness and the commitment of the acceding country’s government to move the process forward quickly, usually expressed in terms of negotiation strategy. There is no straightforward answer as to what kind of negotiation strategy was adopted by Lithuania. The case revealed that although in principle Lithuania’s government favored the fast membership in the WTO, the strategy was shaped by the objective to ensure adequate level of protection to its agricultural sector. The pressure from interest groups, transmitted through the Ministry of Agriculture, also contributed in toughening the Lithuanian negotiation strategy. However, when the time frame set for full WTO membership began to loom, Lithuania chose a compromise which eventually brought talks to the conclusion. A big credit for this goes to the Ministry of Foreign Affairs, which not only supervised Lithuania’s WTO accession, but also was in favor of a revision of the domestic agricultural policy, rather than delaying the country’s accession indefinitely. It is important to note that notwithstanding a pressure from interests groups, the negotiators were able to secure support from the very center of the government for smoothing the agreement. This observation confirms once again, what Robert Putnam calls “two-level bargaining,” to conclude a negotiation successfully, the statesman must bargain on two levels: domestic and international.

Secondly, acceding countries can to some extent control the outcome and defend their interests. In negotiations on the most contentious area - agriculture -
Lithuania was unwilling to yield to the pressure from the United States. Lithuania did succeed in its negotiations on agriculture in obtaining higher level of domestic support than its neighbors Latvia and Estonia. However, this observation seems to suggest this result was reached at the expense of time.

Nevertheless, many questions remain unanswered: what, on what level, and on what conditions determined Lithuania’s strategies and outcomes: the strategic foreign economic policy priorities, as expressed in the program of the government, or special interests, as sought by the interest groups? How did the institutional structure of negotiations as well as bureaucratic and domestic politics affect the international negotiations? Can a small country, and on what conditions, negotiate successfully with a big one? What determines the outcomes of negotiations? Finally, how to study international economic negotiations? In other words, how should one go about studying international economic negotiations in terms of various theories and approaches available? Can we explain the process and outcomes of negotiations with the help of the theories of international political economy, or do we need to turn for help somewhere else? The latter questions theoretically and methodologically perhaps are the most significant, since they can provide answers to other questions as well.

In concluding, it might also be asked whether it is relevant to devote so much attention to the study of negotiations.

The premise of this article implies that it is. It is generally agreed that the number of economic negotiations, conducted between governments since the beginning of the 20th century, has risen constantly. The processes of regional and global integration have further increased this trend. This loads many observers to claim that economics has become as important as security in international relations. Either we embrace this cliché or not, we still have a limited understanding in how to approach the analysis of international economic negotiations. Moreover, there has been even much less progress in the development of negotiation studies in Lithuania. Since regaining independence, Lithuania has conducted a number of international economic negotiations. Some of them were successful in terms of outcomes, some not, but we still have no general work devoted to the experience of Lithuania in international economic negotiations. In future, as Lithuania becomes increasingly integrated into the regional and global markets, the reliance on negotiations will grow as well. At last, with entrance to the WTO, Lithuania’s WTO negotiations practices have not stopped. It’s more the beginning than the end of it. Lithuania now can exercise its rights to participate actively in a new round of multilateral trade negotiations.

Despite this, the shortfall in the research on Lithuania’s economic negotiations has left vivid marks on public debates about particular negotiations.
Opinions are expressed with great confidence – “our diplomats must be tougher with those foreigners; don’t damage our long-term strategic national objectives”; “Agriculture must have higher priority this time” – but rarely is an argument for a particular negotiating strategy based on empirical findings of any kind. Therefore, there is a general need for a more realistic understanding of international economic negotiation and further research in the area would be advisable.

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Lithuania’s WTO accession negotiations: an overview


NOTES AND REFERENCES


8 Ibid.

9 Ibid.


12 Interview with Ms. Nijolė Pambaitė, Minister-Counselor for Economic Affairs of Embassy of Lithuania to the United States of America.
13 See in Schmidt, Uwe (2002). The Institutional dimensions of WTO accession (Report). Duisburg: Institute for Development and Peace, University of Duisburg. Uwe's research has been based on interview with officials from Lithuania's Permanent Mission in Geneva.

14 Ibid.


19 Other members of the Cairns Group are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, Paraguay, the Philippines, South Africa, Thailand and Uruguay. See in the Cairns Group (2002).


24 AFP (8 December 2001). “Lithuania looks set to swell WTO membership.”


30 See these specific commitments in Working Party Report's commitment paragraphs (which have been incorporated by reference in the Protocol).

31 According to the WTO regulations, upon accession to the EU, the EU must overtake and bear the individual obligations the new members have before the WTO. If the new European Union member had previously binding trade relations less liberal than those in the EU, then upon accession it's trade will become considerably liberal. However, if a newly approved member had previously binding agreements that were more liberal than those within the EU, then the other WTO members will lose by decreased trade conditions. In accordance with the EU rules and regulations they are entitled to receive compensation, which basically means negotiating a trade privilege equal to the damage that occurred due to the newly acquired membership. See in EU (2000). EU Commissioner Pascal Lamy welcomes WTO accession of Lithuania. Brussels: European Commission.


The Lithuanian provider of the telecommunication services, „Lietuvos Telekomas”, was privatized through an international tender. Provision of monopoly rights was a condition of the privatization deal.


BNS (May 2, 2000). “The U.S. demands hinder Lithuania’s WTO membership: ambassador says”.

Among WTO members, agricultural products are protected only by tariffs. All non-tariff barriers, applied by Lithuania, had to be eliminated or converted to tariffs (the conversion is known as “tariffication”). In some cases, the calculated equivalent tariffs — like the original measures that were tariffied — were too high to allow any real opportunity for imports. So Lithuania was asked to apply a system of tariff-rate quotas to maintain existing import access levels, and to provide minimum access opportunities. This means lower tariffs within the quotas, and higher rates for quantities outside the quotas. The discussion in negotiations focused broadly on two issues: the high levels of tariffs outside the quotas, and the quotas themselves — their size, the way they have been administered, and the tariffs charged on imports within the quotas. See in WTO (2002). Agriculture negotiations: backgrounder (WTO Document). Geneva: The World Trade Organization.

In essence, the Agreement on Agriculture’s provisions on domestic support are an attempt to reduce what is considered to be trade distorting domestic support measures. As a quick way to refer to how support measures are separated between those considering trade distorting (and so subject to reduction commitments) and those are not, references are made to different coloured boxes - amber, green and blue. Amber refers to support payments which fall within the scope of total AMC calculations (the sum of all domestic support provided in favour of agricultural producers). These are support measures which are deemed trade distorting and so subject to reduction commitments. Green refers to payments which are not considered to be trade distorting and are not thus subject to reduction commitments (e.g., the support provided through a publicly-funded government programme not involving transfers from consumers or the support that does not have an effect of providing price support to producers). Blue refers to payments which are also not subject to reduction commitments, and have been arranged specifically for the EU agricultural policies.

The base period for newly acceding countries is normally each of the three the most recent years.

Veidas (December 21, 2000). “The ambassador suggests not to overestimate the WTO effect”. 


Only 39 of the 144 members of the WTO (15 of which are in the European Union) have export subsidy commitments and it is a major negotiating objective of the Cairns Group for these commitments to be abolished in the current round of agricultural trade liberalization negotiations. Overall, the Cairns Group countries are known as positive and transparent advocates for removal of all trade-distorting policies affecting the agricultural sector.


It has been suggested that Lithuania may be substituting a price support measure developed by the OESC for the data required by the WTO.


See in RFE/RL (1999). “Lithuania: prime minister calls for speedy accession to WTO “; Lithuanian Foreign Policy Review (1999). “Lithuanian Foreign Policy Highlights”. In addition, Lithuania’s WTO accession negotiations were also discussed by Lithuanian and the U.S. delegations at the Economic Bilateral Working Group at the end of February of 1999 in Washington, D.C. This Working Group was was established under the U.S.-Baltic Partnership Charter of 1998.

Interview with Ms. Nijole Pambaiti, Minister-Counselor for Economic Affairs of Embassy of Lithuania to the United States of America.

BNS (May 2, 2000). “The U.S. demands hinder Lithuania’s WTO membership: ambassador says”.


63 Last countries with which Lithuania concluded bilateral talks were Ecuador, Cuba, Czech Republic and Slovakia. Cuba unexpectedly asked to start trade talks with Lithuania in April 2000, launching fears that it wants unrestricted access for its sugar. Lithuania had a large sugar surplus itself. The speculation was that Cuba was paying back Lithuania for supporting a US-sponsored UN resolution on Cuba’s human rights situation. Czech Republic’s and Slovakia’s decisions to joint the Working Party in September 2000 also came to the Lithuania delegation as a surprise, since the problem with these two countries was of bilateral nature and Lithuania expected to solve it without bringing it into the WTO level.


68 Three other groups of agreements not included in the diagram above are also important: the agreement of dispute settlement, agreement on trade policy reviews, and the two “plurilateral” agreements not signed by all members: civil aircraft and government procurement.
AUTHORITARIANISM IN BELARUS: EVENTUAL THREATS TO LITHUANIA’S SECURITY *

Raimundas Lopata

The Republic of Belarus is the most authoritarian state in Central and Central-Eastern Europe. The international security community identifies the threats of Aleksandr Lukashenko’s regime at global and regional levels. The article analyses the problem: what are the concrete threats posed to Lithuania by the Belarusian authoritarianism? The profiles of the problem presented here – the origins of authoritarianism in Belarus, the pattern of the dependence in the relations between Belarus and Russia, the international security community and Belarus, the development of the Lithuania-Belarus relationship – make it possible to identify eventual threats to Lithuania arising within political, social, economic and ecological sectors.

* * *

Following the recognition of the Republic of Belarus as an independent state in early 90’s, the relations between the Euro-Atlantic community and Belarus experienced steady progression. Belarus was given the associate member status in the North Atlantic Treaty Organisation Parliamentary Assembly (NATO PA). The signing of the Partnership and Cooperation Agreement (PCA) between the European Union and Belarus in 1995 signalled its commitment to political, economic and trade co-operation as significant assistance was provided to Belarus within the framework of the TACIS Programmes and also through various aid programmes and loans.

However, the progress in the EU-Belarus relations stalled after 1996, because President Aleksandr Lukashenko sharply turned the helm of the state towards authoritarianism. The associate member status of Belarus in NATO PA was suspended in 1997, following the constitutional referendum organised by Lukashenko in 1996, which authorised him “to change the rules of the

game” by abolishing the existing Parliament (the convention of the 13th Supreme Soviet), hand-picking the acquiescent National Assembly and amending the 1994 Constitution, by extending inter alia the presidential term of office from five to seven years. New regulations for parliamentary elections were eventually passed on the basis of the 1996 Constitution, making it possible to elect a new National Assembly in October 2000. However, the electoral legislation and, more importantly, the conditions in which the consultation took place were deemed by the OSCE as “short of meeting the minimum commitments for free, fair, equal, accountable, and transparent elections”. Precisely the same happened during the last presidential election that took place on September 9, 2001.

In other words, particularly during the last five or six years, the Republic of Belarus has solidified its reputation as one of the most perplexing and enigmatic countries in Europe. Belarus remains an exception, an outsider among the states of Central and Eastern Europe. Whereas almost all other states in the region have undertaken steps to implement democracy, free market reforms, and took the westward orientation (event Russia has proclaimed its West-oriented foreign policy, and even the Ukraine is trying to articulate its aspiration to join NATO in the future more clearly), Belarus has restored and resurrected the old values and principles of the Soviet Union, such as authoritarianism and state-regulated economy.

A few days before the September 11 terrorist attacks, the United States Secretary of State Collin Powell called the dictatorial state of Belarus “the only outlaw state of Europe”. At that time, the head of the American diplomacy emphasised a danger to the regional security in general as posed by the regime itself and the threats inherent in its origins.

The reference was primarily addressed to a militarised group established under the Ministry of Internal Affairs and charged with the execution of any assignments, including political assassinations. The decree of Lukashenko providing for the confiscation of the property of citizens and enterprises without a court trial was not left unnoticed either. Besides, that decree, as well as the methods of political blackmail and intimidation, were extensively employed by the regime, especially in the aftermath of the September 2001 presidential election, when the heads of nine Belarusian enterprises were taken under arrest, or when power structures regularly and without compunction quelled the events organised by the opposition.

It should be emphasised that the anxiety of the international security community has been caused not only by the unprecedented violations of human rights in Belarus. Within the context of regional security, particular attention is also given to a number of other circumstances.
First – the military power of Belarus, which far exceeds that of, for example, the neighbouring Lithuania or Latvia.

Second – open statements made by Lukashenko himself and his actions on the international scene. Reference is made here not only to the malicious and often offensive speeches of the President directed against the West, or his visit destinations – Cuba, Syria, Libya – but also to provocative military exercises. Thus, for example, right before the 2001 presidential election, in the military exercise “Neman-2001” held in September Belarus simulated a repulse of a Lithuanian-Polish assault, while the scenario of the military exercise “Berezina-2002” held in early summer of 2002 included the crossing of the Berezina River and an attack westwards.

Third – the catastrophically deteriorating economic situation and the actual threat of a total economic collapse.

These are just several of the points that not only permit it to label Belarus an outlaw state, but also highlight the potential consequences for the regional security – unpredictability of the regime, political volatility, economic destabilisation and eventual refugees.

Recently, however, the validity of this assumption has become even more pronounced. The last bastion of authoritarianism in Europe ruled by Lukashenko’s regime is continuing to violate international law. During the previous year, Minsk clandestinely turned into the key military supplier to Iraq, other militant states and terrorist groups by providing them with high quality military equipment. And finally – the total disregard displayed by the official Minsk in respect of international organisations (the Organisation for Security and Cooperation in Europe Mission in Belarus has, in essence, been rendered ineffectual) that has also become evident recently.

Thus, it is obvious that the international security community perceives potential threats posed by Belarus both at global and regional levels. The problem is – what consequences on Lithuania and its security may be expected from the situation evolving in Belarus and around it?

In searching for the answer and identifying the eventual threats within definite sectors (political, military, social, economic and ecological), the following aspects of the problem will be subjected to a more comprehensive analysis:

1. The origin of the Belarusian authoritarianism and its eventual specification.
3. The international security community and Belarus.
4. Dynamics of the Lithuanian-Belarusian relations.
1. The Origin of the Belarusian Authoritarianism and its Eventual Specification

The Belarus of today presents a tricky puzzle: why has this particular way of development been chosen and what are the likely developments in the further transformation process of the regime?

Theoretical research on society transformation and democratisation processes usually distinguishes the following distinct criteria, the absence of which precludes the evolution of one or another society into a democratic society:

- adequate economic progress;
- international environment (the more a country is oriented to Western-shared democratic values, the greater the prospects for democratisation to succeed);
- political traditions (whether a country has democratic traditions or not);
- institutional structures (parliamentary system, presidential system, etc.).

It is hardly necessary to prove that none of the criteria mentioned above is “operational” in Belarus. Belarus is an exception among other post-communist countries. Despite the break-up of the communist regime, political and economic power remained in the hands of the same political elite. Moreover, that elite was not forced to change.

After the failed 1991 coup d’etat in Moscow, the Belarusian nomenclature was forced to follow market reforms similar to those enforced in Russia. However, such reforms were carried out only partially. There was liberalisation of prices, but no privatisation or a tight monetary policy was pursued. The decision not to privatise state assets was determined by the aspirations of the ruling elite. Otherwise, under the conditions of free competition, most enterprises would have collapsed. Those half-reforms had a negative impact on the majority of the population as they were solely in the interests of the nomenclature.

The economic slump had a unifying effect on the two social forces that allowed the establishment of A. Lukashenko’s regime, namely, the old nomenclature, resisting the market economy reforms, and the impoverished part of the society, bearing the brunt of the lame reforms.

Besides, with reference to the latter, it is necessary to remind that the major part of the Belarusian society is composed of rural population, while the urban inhabitants themselves are newcomers from the provinces still guided by traditional patriarchal values. The Belarusian political scientist Viktor Chernov describes such world outlook of people as archaic conservatism and mythological way of thinking, i.e. low demands, fear of freedom and competition, “fortress-
under-siege” psychology, strive for absolute rule, inability to comprehend the importance of representative institutions, orientation towards an authoritarian charismatic leader, loyalty to any centre of authority, high degree of adjustment to authority, passivity and compliance. That is why the authoritarian alternative imposed by Lukashenko and the idea of a union with Russia (often presented within the context of the restoration of the Soviet Union) perfectly complies with the expectations of the majority of Belarusian citizens. It is worth remembering that over 30 per cent of Belarusian people have close relatives in Russia. A lot of Belarusians have graduated from Russian higher schools, started their political or professional career in Russia and, finally, have served in the army together with Russians.

Nonetheless, it is also necessary to emphasise that another generation without any nostalgic feelings towards the no longer existing USSR has grown up; they are quite well-educated, are able to use the Internet, are mobile enough to visit various European countries. Still, it should also be noted that the representatives of this generation, who predominantly reside in Minsk and almost naturally support the idea of their country’s Europeanisation, do not associate themselves with the opposition and are not even inclined to trust it. This scepticism is to a great extent reinforced by the fact, that the current opposition leaders and the nucleus of the Belarusian political elite in general continue using those political and social concepts that were typical to the Soviet period.

Researchers, however, sometimes try to resort to the regional diversity of Belarus and the regional specifics determined by historic evolution (West Belarus, i.e. Grodno and Brest regions; East Belarus, i.e. Vitebsk and Mogilev regions). Though there is an ongoing discussion on whether such specifics really exists, and if yes – whether it constitutes a factor in the present political development of Belarus.

The emergence of the Lukashenko phenomenon was facilitated by other circumstances as well. It is generally explained that there were no political reforms in Belarus either. The independence was not related to an upsurge of the national movement in the country. Contrary to the neighbouring countries, the national movement in Belarus was not the main catalyst for radical changes. This was certainly mostly determined by the fact that in general it is quite complicated to talk about the traditions of statehood and national identity in relation to Belarus.

For many years, the territory comprising the present-day Belarus was part of the Grand Duchy of Lithuania, the Polish-Lithuanian Commonwealth and, later, the tsarist Russia and the USSR. The country experienced three major rebellions, two World Wars, the Bolshevik occupation, and then its status as a
Republic within the USSR. In addition, Moscow pursued an active policy of Russification. These factors have had a huge impact on the Belarusian national identity or its lack thereof.

However, it is necessary to emphasise that at the very beginning of the 90’s, Minsk tried to compensate the problems of national identity by means of foreign policy, particularly – by claims on the Lithuanian territory. For example, on 24 February 1992, the Belarusian Foreign Minister Piotr Krauchanka openly told a visiting European Community delegation that Belarus had doubts whether Vilnius lawfully belonged to the Republic of Lithuania.13

Though Lukashenko never made similar statements in respect of Lithuania, he nevertheless took advantage of the specifics of the Belarusian national identity in the market of the country’s domestic policy. In the middle of the 90s, by emphasising his non-allegiance to any party, he, at the same time, chose a corresponding political motto: “I am neither with the right nor with the left, I am with the people”. In a broader sense, Lukashenko took advantage of the shortcomings of the extremely weak party system. The so-called democratic forces were fragmented and headed by the leaders, whose policy was very remote from the Belarusian reality. On the other hand, until 1995, the parliament elected in the Soviet times still worked in Belarus. This communist-governed institution of power blocked the proposals of the opposition to hold election before term, thus the real power fell into the hands of the executive power.

The President is still reaping the fruits of this victory. An independent opinion survey conducted in Belarus before the last presidential election showed that if the presidential election had been held the next day, Lukashenko would have been reelected. His is still relying on rural population, impoverished workers, pensioners and the internal army. These social layers comprise the major part of the population, which find the status quo satisfactory and are opposed to any radical change. Even though there are talks about an increasing dissatisfaction among the ranks of the Belarusian nomenclature, the latter is still too weak to attempt any coup d’état and remove Lukashenko from power. The opposition is still quite feeble and fragmented. It even failed to nominate a candidate who could offer a more or less serious competition to the incumbent president.

Some political scientists14 believe that Lukashenko, upon taking advantage of all circumstances mentioned above, has created the so-called sultanistic regime, i.e. a sub-type of the authoritarian regime, where personalised rule dominates principally in all spheres of life, where law does not apply, but a low level of institutionalisation prevails, clientelism predominates, corruption flourishes, where no clear ideology is identifiable, except laudation of the rule, etc. There is a number of well-known historic examples of such regimes: the Duvalier
regime in Tahiti, the Trujillo regime in the Republic of Dominique, the Ceausescu regime in Rumania. Experience has shown that changes of regimes in those historic situations were executed shedding blood and by means of a mass or military revolt.

As concerns possible scenarios in the case of Belarus, so far there has been no evidence of such alternative. It might be problematic to find an answer to the question of how the regime might be affected by the constantly deteriorating economic situation and even the signs of economic collapse discerned by some of experts. On the other hand, some other weaker sides of Lukashenko’s regime – such as the legitimacy of his presidency – might also become more pronounced. Few doubt, however, that the development of Belarus will be determined by an aggregation of internal and external factors.

Nobody questions the fact that Russia is the only force that the official Minsk takes into consideration. Nobody doubts the economic dependence of Belarus upon Russia either. Far less emphasis is given to the fact that Lukashenko employs the Russian factor as a source of his political legitimacy both inside the country and by ignoring the opinion of the West. Nevertheless, some evidence has lately surfaced permitting analysts and experts to state that this source has started gradually drying up.


Three years ago, Lukashenko’s prospects for taking the highest office in the Union of Belarus and Russia were openly discussed. A year and a half ago it was already hinted that only with the help of Moscow he was thought to able to hold power in Belarus. Today Vladimir Putin accuses Lukashenko that he is allegedly attempting to restore the Soviet Union by means of the Union of Belarus and Russia, and, by doing this, he is undermining the statehood of Russia.

In general, it is obvious that since the collapse of the USSR, Belarus has never severed its close ties with Russia. Throughout the whole period following the downfall of the communist regime, political, economic and military dependence of Belarus on Russia has always remained especially strong. As far back as in December 1993, Minsk signed the Collective Security Treaty of the Commonwealth of Independent States; in April 1994, Belarus and Russia signed the agreement on the monetary union; in April 1996, an agreement on the Russian-Belarusian Union was signed; in May 1997 – the Agreement on the Statutes of the Russian-Belarusian Union; on 8 December 1999 – a declaration on further integration and the agreement on the establishment of a Union state; on 30 November 2000 – the agreement on the introduction of a common
currency for the Union state. Apart from these agreements, a whole range of agreements and treaties were signed (over 100, including about 20 in the security and military areas). Even though officially it is spoken about the integration of the two countries, there is no doubt, however, that models of dependence rather than those of integration function here. This dependence enables Russia to control and often also shape the processes unfolding in the internal and external policy of Belarus.

The model of dependence is based on ethno-national closeness, hyper-integration of the Belarusian economy into the Soviet system, especially into the RSFSR, and the dependence in the areas of security and defence.\(^{16}\) Such model allows Russia in essence to manipulate “the Belarus card” with regard to the domestic and international constellation. Thus, for example, during the time of Boris Yeltsin, in exchange for the geopolitical union, Russia used to render support to Lukashenko’s regime in the amount of 1 billion US dollars a year by selling energy sources at a lower price, opening its market to Belarusian goods, and, most often, by permitting customs authorities of the neighbouring state to withhold the import tax for the goods imported into the so-called Union state (actually, into Russia). In addition, by taking advantage of the customs union, enterprises established by the administration of the Belarusian President imported a great number of smuggled goods, which were sold in Russia. During Yeltsin’s time, the Union supplied the Russian elite with a vision of a still powerful and influential Russia that managed not to lose everything with the disintegration of the Soviet Union. In addition, the Union was a means of blocking the eastward expansion of NATO.

With Putin becoming the President of Russia, Lukashenko was forced to bury his hopes and dreams about ruling Russia from the top of the union of the two countries. At the same time, the majority of the Russian electorate were still nostalgic about the strong-hand policy, veneration of the symbols of the past, the stern tone in communication with the West, and harnessing of the oligarchs. It should be noted that this was exactly what the President of Belarus was emphasising most in his speeches designed to attract the attention of the Russian people. The beginning of Putin’s presidency was also based on the same principles. Soon Lukashenko found it increasingly difficult to find any arguments that could help him secure the favour of Russian citizens. Before the 9 September 2001 election in order to remain on the Olympus of power, he had to convince the Kremlin leader that he was the most acceptable candidate.

Lukashenko won the election. The democratic community of the West objected to the claim that it was a democratic election.\(^{17}\) The paradox is that the criticism directed against Lukashenko was overshadowed by other events – the terrorist attack against the United States.
Nevertheless, it did not take long for Minsk to become aware of the
tendencies in the world policy that emerged in the wake of the 11 September
2001 events and their influence. This influence evolved at two levels: within
the contexts of Belarusian–Russian and the international security community –
Belarusian relations. It is necessary to note that Lukashenko was quite quick to
identify these levels himself.

In early January 2002, the Belarusian President, in defining the priorities
of the country’s foreign policy, made an effort to confirm the course of
strengthening the Belarusian-Russian Union, the intent to restore comprehensive
relations with the European Union, and declared about his resolve to develop a
dialogue on equal grounds with the United States on a whole range of issues,
including fight against terrorism.18

This time Lukashenko seemed to be in possession of a weighty argument
in support of his traditional appeals for creating a union state with Russia – the
second instalment of the loan of 30 million US dollars recently allotted by
Moscow to Belarus for financing the creation of the union state.19 However,
Minsk made a mistake in assuming that it was capable of predicting the Kremlin’s
actions.

There still is an ongoing argument concerning Putin’s motives, when he
made it obvious in the meeting with Lukashenko in June 2002, that he did not
support the aspirations of Minsk to unify Russia and Belarus as entities with
equal rights. Most probably, the underlying reasons were both Moscow’s active
involvement in the US-led anti-terrorist coalition, the thawing in the Moscow-
Washington relationship, the publicised pro-Western course in the foreign
policy and the barriers erected in Belarus to prevent the Russian capital from
participating in the intended privatisation of the country’s strategic enterprises.
Whatever the reasons, it did not take long for the Russian President to announce,
that Lukashenko would not succeed in restoring the Soviet Union.

Formally, such response was provoked by the draft constitution of the
Belarusian-Russian Union prepared by Minsk. It envisaged a creation of a
union state, where both parties were provided with equal rights and the
possibility to veto joint decisions, while the governing of the union state was
expected to be executed on a rotating basis between the Russian and Belarusian
Presidents changing every half a year. V. Putin was obliged to remind who was
who – even upon Russia, having become poor, its economic power still exceeded
that of Belarus by 30 times. The implication was more than clear – Belarus was
expected to join Russia in the capacity of one of the provinces of the grand
state instead of dreaming about having influence in the Kremlin. There was no
room provided for the parasitizing economy of Belarus in the ambitious
programme of economic growth of Russia.20
The Belarusian President retaliated after quite a lengthy pause. It is necessary to acknowledge that his speech on the Belarusian television sounded emotional and quite censorious towards Russia. He reiterated the necessity to create a union of the two states on equal grounds and stated that Belarus would never become the 90th entity of the Russian Federation. In early September Lukashenko once again accused Moscow of dragging its feet over the plans to unify both states. “I have always been for the union, but Moscow wants to incorporate Belarus into Russia. I am not going to put up with that”, he explained and added that Putin’s suggestion concerning the unification (in August the Kremlin suggested to hold a referendum on the unification of the two states, and in the event of positive results - to elect one parliament and one president) was inspired by his wish to humour wealthy electors.21

It should be noted that in response to that speech, a telephone call came from the Kremlin.22 At that moment, the tension seemed to have eased. The question is - for how long?

Hardly anybody doubts that Moscow’s shift away from Minsk is not determined by the Belarusian economy, Putin’s badly concealed contempt for Lukashenko, or even the visions of the latter about the union state, but the unanswered question concerning the predictability of Lukashenko’s actions and the constellation of international politics.23

It is hardly possible to disregard the opinion that Lukashenko might behave unpredictably if he feels a real personal threat from Russia24, i.e. if in the process of creating a real Russian-Belarusian union, attempts are made to remove him from power and de facto incorporate Belarus into Russia. Lukashenko is desperately trying to stay at the helm and he quite recently stated that he “does not reject the possibility of participating in the 2006 presidential election”, i.e. he does not reject the possibility of amending the provisions of the Constitution of the Belarusian Republic, which does not allow to seek a third term in office. In other words, when faced with a threat of losing power, Lukashenko may resort to unpredictable actions and provoke, for example, a local-scale military conflict.

A formal expression of the influence exerted on the regime by the international constellation was the talk between the U.S. Secretary of State Powell and the Russian Foreign Minister Ivanov and “the issue of Belarus” raised in that meeting in the context of the fate of the OSCE Mission in Minsk. This repeatedly proved that practically “the Belarus issue” on the international East-West relationship agenda acquired a particular significance within the framework of the international anti-terrorist coalition initiated by the U.S. in the aftermath of the 11 September 2001 events and with the launching of a new NATO-Russia cooperation formula.
3. The International Security Community and Belarus

In early 2002, Minsk was subjected to a new wave of pressure from the international security community. In January, information about Belarus being involved in the illicit trade in arms appeared in American, Israeli, Polish press. In early February, the Head of the OSCE Parliamentary Assembly ad hoc the Working Group on Belarus Uta Capf warned that "*the failure of the official Minsk to take steps towards democratisation may result in the beginning of an ice age*. After visiting Minsk in the middle of February, a delegation of the U.S. House of Representatives expressed its concern about the possibility of Belarus being involved in arms trafficking with the countries supporting terrorism. In early March, the U.S. issued an ultimatum to Belarus demanding to end the selling of military armaments to the countries supporting terrorism. The U.S. State Department declared about America's readiness to take steps - including sanctions as one of the measures - in order to prevent such activity.

What might be the consequences of this declaration, and, in general, the American-Belarusian conflict that has been evolving for some time already to the East-West relations at large? There can be no doubt that this question is equally important for Lithuania as well.

It should be remembered that Belarus has been regarded a participant of the conventional arms market already since 1996. It is included into the list of the top ten countries exporting armaments and military equipment. The abundance of Belarusian military export resources is determined by several factors. First, the decrease in the production of military industry after the disintegration of the USSR was less pronounced that in Russia. Second, the majority of enterprises are still under the control of the state. Third, a huge arsenal of used Russian military equipment has remained in the country.

Already in 1994, Lukashenko decided not to comply with the requirements of the Treaty on Conventional Armed Forces in Europe and, instead of demolishing the armaments, offered them to foreign clients. Alongside the export of this type, Minsk is deriving a considerable profit from armaments supplied to the world market and from the production of munition parts. Trade in weapons is of vital importance for Belarus in the financial aspect. According to the data presented by some Western experts, in the period between 1997 and 2000, the country might have earned about one billion U.S. dollars from the trade in armaments and equipment. It is believed that during last years, Minsk has stealthily turned into the key arms supplier for more than 500 million U.S dollars to the radical world of Islam. During last year alone, Minsk secretly sold arms to Palestinian fighters and the countries that shelter terrorists (Syria, Iran).
The establishment of Belarus in the arms export market and the trade policy it pursues, has long been causing concern to the international security community. Firstly, the performance of the country's military industry, the system of arms trade and its financing is under the cover of great secrecy. The proceeds from clandestine transactions are believed to descend into Lukashenko's shadow budget. Secondly, it is the above-mentioned Belarusian arms trade transactions with the states which are universally subjected to the United Nations arms embargo. In October 2001, for example, the Polish magazine Wprost published information that Minsk was selling military equipment to terrorist groups in the Balkans, South America and the Middle East, arms shipments "settle down" in Sudan and even in Afghanistan.

Washington is especially concerned about Lukashenko being increasingly interested in secret cooperation with Iraq. Some menacing developments are undoubtedly related to Minsk-Baghdad deals in the area of anti-aircraft defence. In February 2002, the U.S. State Department confirmed that Iraqi anti-aircraft defence officers were secretly trained how to use the newest anti-aircraft missile system S-300. Since early April, there have been three attempts to shoot down the planes of the United States and Great Britain patrolling over the UN-controlled non-flying area. There were over 400 such attempts in 2001. At present, when S. Hussein, in protest against Israeli military actions in the West Bank, has deployed anti-aircraft defence systems in the non-flying area, it looks like the G.W. Bush administration will have to acknowledge that the Belarusian military equipment and competence employed by Iraq pose a threat to Americans and British.30

Some experts believe that economic sanctions might have a deterrent effect upon Minsk, i.e. they might compel Belarus to curtail or at least limit illicit arms supplies to Arab states, which are involved in conflicts, pose threats or are terrorist states. This would allegedly have a painful effect upon the export of Belarusian metallurgic products and fertilisers that account for the greatest part of foreign currency income in the Belarusian budget. Nevertheless, it is necessary to keep in mind that having distanced itself from the West and with Russia still in its rear, it is adequately resistant to any economic pressure from the West. In this case, it would be more reasonable to speak not about Western investments in Belarus or the EU aid, which is limited to humanitarian assistance and democratisation programmes, but rather about the indisputable fact that the energy sector, strongly supported by Russia, is the only factor which is still able to avert the total collapse of the Belarusian economy.31

Political measures have also been almost exhausted, as neither the suspension of the Belarusian membership in various international organisations nor protests issued by EU member states have yielded desired results. In addition, by
threatening to withdraw from the OSCE, Minsk has practically paralysed the activity of the OSCE Mission in Belarus.32

By challenging Minsk, Washington took the risk to confront Moscow’s interests. There are several assumptions to suggest that Russia has been taking advantage of the illegal export of the neighbouring Belarus. Firstly, Moscow, which is trying to avoid being compromised in the eyes of the international community, finds it convenient to use Minsk in the area of military trade and thus avoid international bans and restrictions. Secondly, having in mind the scope of Belarusian export, it is hardly feasible that major transactions could be carried out without Russia’s assistance. Thirdly, in most cases Minsk lacks the technical capacity required to complete the assembly of military systems. Fourthly, in general, an increasingly closer military cooperation between Russia and Belarus (joint military exercises) has lately been observed.33

Thus, having in mind that Russia’s interest in arms export might be not incommensurate with that of Belarus, it could be predicted that Washington might try to resolve its conflict with Minsk by means of finding agreement with Moscow. As we have seen, namely within this context, it is possible to interpret the currently observed cooling in the Moscow-Minsk relationship. Thus, it is possible to predict that the U.S will not want to put to test the furthered strategic partnership and, most probably, will abstain from carrying out the threat to impose sanctions on Belarus. Such mutual agreement would be beneficial both for Russia and the anti-terrorist coalition. In the meantime, Russia would acquire one more lever for reinforcing its influence on Lukashenko’s regime, which is craving for support. In addition, with the increase of Russian influence in Belarus, the U.S. could hope for more orderliness in the maze of arms supplies and that the channelling of weaponry into the arms of political adversaries will be put under control.

On the other hand, within the context of a military resolution of the Iraq issue, it is also possible to predict Washington taking an unbending attitude towards the official Minsk. This version could be supported by the U.S. stance in respect of Leonid Kuchma, who was suspected to have sanctioned arms sales to Hussein in 2000. In the case of Lukashenko, the spotlight should be directed not so much to the training of Iraqi anti-aircraft defense officers in Belarus, but rather to the history of a far more serious strategic threat issued by Iraq to the international community – in 1995, in direct violation of the United Nations sanctions against Baghdad, Minsk sold to Hussein’s regime special diamond-tipped equipment used in the production of some components for nuclear weapons.34

Nevertheless, a pessimistic resolution of the tension in the U.S-Belarus relationship is also possible. The implementation of the Western pressure
measures may fuel anti-Western sentiment in the country and provide support for the authoritarian regime. In addition, directly faced with the sternly disposed U.S., Lukashenko may become difficult to predict. Nobody can deny that he may distance himself from the Kremlin and resort to unpredictable, spontaneous actions likely to have a destabilizing effect upon other states in the region, including the NATO aspirant Lithuania.

4. Dynamics of the Lithuanian-Belarusian Relations

The development of the Lithuanian-Belarusian relationship could be divided into several stages: the periods of 1990 – 1992, 1992 – 1995 and since 1996/97. The dynamics of the first stage was determined by the specifics of Vilnius-Moscow and Minsk-Moscow bilateral relations. The second – the Moscow-inspired political course of Minsk aimed at encouraging separatism in Lithuania. The third stage was characterised both by the attempts to base the relations on the principles of good neighbourhood in accordance with the Agreement on Good Neighbourly Relations and Cooperation signed on 6 February 1995 and the emerging differences in geopolitical gravitation.

It was the latter that forced to view the Belarus neighbourhood to Lithuania as extremely unfavourable within the context of political, social and economic threats.

First of all, the existence of the authoritarian regime in Belarus per se was a threat to the whole region because of its eventual unpredictability, likewise because of the ambiguity of the consequences stemming from the creation of the Belarus-Russian union.

Belarus, undoubtedly, is the most militarised territory in the geostrategic area of Lithuania. The amount of strategic weapons accumulated in Belarus and its abundant military capabilities are a potential source of military threat. It draws attention not only because of the character of the military exercises mentioned above, but also due to the doubts of whether Minsk is always going to de facto honour the norms of international law.

Within the framework of Lithuania’s accession to the European Union and the Schengen system, it is necessary to emphasise that the absolute majority of illegal immigrants enter Lithuania from the territory of Belarus, which has not yet executed the demarcation of its state border with Lithuania. It is not possible to disregard a likely prospect that a considerable deterioration of economic situation in Belarus might result not only in a large-scale social turbulence inside the country, but also in a massive migration of Belarusians out of the country.

And finally, the factor of economic ties between Lithuania and Belarus.
Even though the economic interdependence between Vilnius and Minsk is quite insignificant, threats to the energy sector of Lithuania are quite tangible. In addition, Lithuania clearly identifies the consequences of ecological threats arising from the neighbouring state. The economic difficulties experienced by Belarus not only render it incapable of ensuring adequate ecological supervision of the operating enterprises; it is also experiencing difficulties in disposing of the munitions still remaining from the times of the USSR.

Lithuania, in pursuit of its aspiration to become a member of the Euro-Atlantic institutions, to neutralise the above-mentioned threats and concurrently to earn the status of an active actor in the Eastern Baltic and Eastern European sub-regions, has put forward proposals to the international community on the practical implementation of various workable versions of the relations with Belarus ("bridge", "intermediary", "expert"). Vilnius has openly declared that the implementation of these versions is not only determined by the character of the clearly identified threats, but it is also dependent upon:

- coordination of the position of Lithuania in respect of Belarus with that of the Western allies by actively joining the declarations of the Euro-Atlantic community on Belarus intended to promote the development of democracy in the country and to establish criteria for the normalisation of relations, and by urging the official Minsk to pay regard to those recommendations and take concrete steps to ensure democratic development of the country and normalise relations with the international community;
- Lithuania's disinterestedness in the international isolation of Belarus which might have a negative effect on the democratisation of the country, on the normalisation of its relations with the countries of the West and concurrently on the stability and security both of Europe and the region.

These motives as well as the practical experience of relationship with Belarus have shaped a particular attitude of Vilnius in respect of Minsk – to pursue the policy of pragmatic selective cooperation. In practice, it means that the political cooperation with Belarus ought to be minimal (e.g. there have been no exchange of visits between the official heads of states or high-standing officials since the end of 2000), at the same time maintaining ties with separate power structures of Belarus and developing bilateral cooperation in those areas which are important for the security and stability not only of Lithuania, but also of the whole region (demarcation of state borders, illegal migration, regional cooperation, energy issues, etc.), irrespective of the direction of the political development of Belarus.

During its presidency in the Council of Europe in the first half of 2002,
Lithuania was trying to emphasise namely this political line in its relations with Belarus. Despite a positive evaluation, the prospects for this line are still quite obscure, as there is a certain ambiguity regarding potential priorities in the policy of the international security community in respect of Belarus.

Conclusions

Belarus is the most authoritarian state in Central and Central-Eastern Europe. The threats arising from Aleksandr Lukashenko’s regime are identified by the international security community at global and regional levels. These threats arise not only because of the existence of the authoritarian regime in Belarus, but also out of the unpredictability of this regime in internal and external policy.

Namely the unpredictability of Lukashenko’s regime in the spheres of domestic and foreign policy, political spontaneity, potentiality of employing the military sector for the legitimisation of the regime, threat of economic collapse, uncontrollable character of social consequences - all this poses particularly tangible threats to Lithuania.

In this situation, the strategy of pragmatic selective cooperation pursued by Vilnius is likely to be successful only if the international security community possesses levers of substantive influence on the evolution of Lukashenko’s regime.

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2 This was publicly announced by former interrogators of the Belarus Prosecutor’s Office Oleg Sluchek and Dmitrij Petrushkevich who had asked for political asylum in the U.S. According to their information, the victims of the abovementioned group included politicians Jurij Zacharenka, Victor Gonchar, Anatolij Krasovskij, journalist Dmitrij Zavadskij. See: Vadovas giriasi abejotinais nuopelnais (the Leader is Boasting of his Doubtful Merit), Lietuvos Rytas, 19 November 2001.


4 And vice versa: for example, in early January 2002, Lukashenko invited Muamar al-Gaddafi, and in February the President of Iran Mohammad Katami to come to Minsk for an official visit. See: BNS information of 18 January and 14 February 2002.

5 The Belarus-Iraq relationship received publicity in Lithuania as well. See: BNS, Seimo
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narys ragina daugiau aiškinti Baltarusijos gyventojams apie demokratijà (Member of Seimas Urges to Explain Democratic Values for Belarusians), 2 Oktobr 2002.


12 Ibid. – S. 7-8.

13 In essence, Minsk was a pawn in the hands of Moscow which was actually creating complications for Lithuania. The issue was resolved in 1995, when Lithuania and Belarus signed the Agreement on State Borders and some time later the Agreement on Good Neighbourly Relations and Cooperation. See more: The Belarus Issue. – Institute of International Relations and Political Science, Vilnius University, 2002. – Working Papers. – N. 1. – P. 8.


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According to Belarusian Foreign Ministry, there are and there could be no evidence that Belarus is involved in illegal arms trade.

Head of OSCE PA thinks that Ice-Age can start in Belarus-West Relations.

U.S. Congressmen express concern on Belarus's eventual arms trade with "rough countries.

The Treaty, signed in 1990 at the initiative of the then Conference on Security and Cooperation in Europe and adapted in 1999, sets the limits on the numbers in each of the five categories of conventional armaments that are allowed to be deployed in the regions of Europe. Out of about 30 states to sign the adapted Treaty, it was ratified only by two - Belarus and the Ukraine.

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THE EUROPEAN UNION AND UKRAINE: LITHUANIA’S VIEWPOINT

Jonas Daniliauskas, Raimundas Lopata, Vladas Sirutavičius, Tivilė Datūnienė, Ramūnas Vilpišauskas

Introduction

European integration poses one of the most serious challenges to the international community. Today almost nobody doubts that on 1 May 2004 the European Union, having enlarged most likely to include 25 Member States, will change not only the European but also the world policy. At the same time nobody doubts that there still remain lots of questions that the European integration raises. This may be said not only about the internal space – the EU structure, the future of unification trends (economic, legal, those of value), etc. but also about the external ones – the future relations with the neighbours.

Speaking about the latter, it is obvious that it is already today that we face the problem of how, with the dividing lines, dividing landmarks of value and clear pragmatic efficiency criteria of the policy being pursued between Western (EU) and Eastern European countries disappearing in the international policy, to identify the optimal mechanism of interaction between the EU and Eastern Europe.

It was for that reason that as early as 2002 the European Commission initiated considerations of the theme of the so-called “Wider Europe (the Policy of the New Neighbourhood)”. The result of the consideration was the Communiqué of the European Commission “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern neighbours” that was published quite recently. In its Communiqué the European Commission tried to specify by what means the European Union should project and increase security and stability beyond its borders, that is, how to surround itself with a “circle of friends”, the zone of wellbeing and friendly neighbourly relations.

Without going deeper into discussing the statements laid down in the above-mentioned Communiqué, it should be noted that this document paid especially great attention to the perspective of future relations between the EU
and the Republic of Ukraine. The circumstance that special attention was attached to the Ukrainian factor should not be surprising (the exceptionality is dictated by the geopolitical condition of that country only). However, it is not only the recognition of the exceptionality de facto but also a practical distribution of that exceptionality in further relations between the EU – Ukraine that raises the problem.

This study, laying no claims to making an in-depth analysis of the relations between the European Union and the Republic of Ukraine and their perspectives, presents reasoned recommendations on how the perspective of differentiation with respect to the neighbouring states proposed by the European Union could be realised in the case of Ukraine.

1. Strategic Review of Ukraine

1.1. The Outline of the Geopolitical Condition of Ukraine

A change in the geopolitical status of Ukraine within the context of EU enlargement is important to the future EU members – the countries of Central Europe and the Baltic States. Ukraine’s “movement” towards the European Union may raise possibilities for them to carry out an active partnership policy with respect to Ukraine. On the other hand, with Ukraine being in the position of a relative “uncertainty”, these countries will also have to take an active part in the creation and implementation of the EU eastern policy.

Brief historical episodes of Ukraine’s statehood testify to the fact that Ukraine, as a political formation, used to perform the function of a geopolitical buffer – in the 16th – 18th centuries it delimited spheres of interest of Lithuania and the Republic of Poland and Russia. In 1918 the establishment of independent Ukraine was Germany’s attempt to form a band of buffer and satellite states around itself.

Assessing from the point of view of classical geopolitics, Ukraine is a buffer (transit) state. It is located on the crossroads of the heartland of Eurasia and the rimland of the coastal zone. Important transport corridors and roads, along which supplies of energy resources connecting industrial megapoles of Europe with the regions of Central Eurasia and Caucasus abounding in mineral deposits and energy resources (and with even farther regions of East and South Asia) are transported, run through Ukraine. On the other hand Ukraine connects the countries of East Mediterranean and Northern East Europe and Scandinavia. Also, three different civilisations co-exist on the territory of Ukraine: Western Latin, Eastern Orthodox and Islamic.

However, the geographical position and the eventual economic-military potential of Ukraine enable Ukraine to be assessed as an especially important
player of regional (Europe) and subregional (Eastern Europe) stability and security – the geopolitical centre. By its area Ukraine is the largest country in Europe. Its area covers 603.7 thousand square kilometres. Its population (by the data of 2002) totals 48.4 million people. The territory of Ukraine contains 5 per cent of all world mineral resources (e.g. 20 per cent of the world magnesium resources, 20 per cent of uranium resources of the former USSR). The Ukrainian gaspipes system is second by its capacities in Europe after the Russian "Gazprom". Russia delivers to Europe about 120 billion cubic meters of gas (93-95 per cent of export of Russian gas, which accounts for 25 per cent of the need for gas of the European countries), through it. By the volume of gas transit Ukraine is first in the world. A large part of gas deposits of the former USSR are located on the Ukrainian territory.

After the downfall of the Soviet Union, the possibility was raised for Ukraine to become a participant in several geopolitical formations. Not a single possibility, however, has been realised completely. In January 1994 a tripartite agreement between Russia, Ukraine and the USA was concluded, which provided for taking out nuclear weapons to Russia and bilateral security guarantees for Ukraine. The latter aspect, despite its declarative nature, created the precedent of the so-called "cross guarantees". Actually this is a presupposition for treating Ukraine as the object of exchange between the West and Russia. The precedent of "mutual guarantees" maintains in essence the geopolitical uncertainty of Ukraine.

Economic and political control of Ukraine is of vital importance to Russia as the possibility to recover influence within the borders of the former USSR and finally to become the greatest power. Opposite motives determine the USA’s attention to Ukraine. The USA is concerned that no hostile block of states should form in the Eurasian space. Therefore, from the point of view of the USA, it is Ukraine’s independence (neutrality) that would bar the way for Russia to become the centre of such a hostile block. On the other hand, neutral (or favourable to the USA) Ukraine would prevent Russia and Europe from entering into geoenergetic (and possible future geopolitical) alliances. The EU Member States are interested in extending stability towards the East because this would guarantee profitable economic exchange with Russia and supply of energy resources to Western Europe.

However, the EU states, lacking resources, which they allocated to internal integration and expansion into the countries of Central Europe, have not pursued any active and consistent policy with respect to Ukraine so far. The USA, at first wishing not to strain its relations with Russia on account of accession of the countries of Central Europe and the Baltic States to NATO, and later, after 11 September 2001, wishing to have Russia’s assistance in the fight against
international terrorism, did not encourage the internal reforms and the course of the foreign policy of Ukraine towards the West either.

In its turn Russia, making use of an economic weakness of Ukraine, its economic and energetic dependence, is starting to achieve dominance in the strategically important branches of economy of Ukraine. This would inevitably, in one way or another, lead to an even greater dependence of Ukraine on Russia, both economic and political. For example, if Kiev did not agree to the “attractive” projects offered by Moscow, Russia would try to develop the system of transportation of energy resources, leaving Ukraine aside (for example, the idea of building the gaspipes Jamal-2 via Belarus might be revived). In the event Ukraine does not agree with Russia’s conditions, it would in fact lose control of energy resources and transit fees related to it, which could be used for purchasing the same energy resources from Russia (and at the same time to partly maintain its energetic independence).

Apart from economic problems Ukraine’s progress is blocked by the process of the formation of national identity, which has not been completed yet, regional ethnic, linguistic and religious differences and weak fundamentals of the civic society.

Therefore if the USA and the countries of Western Europe do not take active steps, which are important from the political and financial viewpoint in speeding up westernisation of Ukraine in creating stable democratic institutions, a functioning market economy and a civic society, Ukraine might eventually lose the status of the buffer state and become Russia’s “satellite” again.

1.2. Ukraine’s Foreign Policy after Declaration of Independence

In January 2002 Ukraine stated that it was ready, in co-operation with Poland, to take part in the EU rapid reaction forces. At the international forum held in September 2002, Leonid Kutchma tried to persuade the Heads of the European countries that “only after all the countries of the Christian culture have become EU members, there will be stability on the continent”, that “non-acceptance of Ukraine to the European Union shall mean a huge disunity on the continent”1. In July of the same year Ukraine filed an official request to become a NATO member. The President of the country Leonid Kutchma declared that Ukraine would seek to become an associate EU member by 2007, and by 2001 – its full member2. These facts and declarations show that recently the westward policy pursued by Ukraine has intensified, however, assessing the entire foreign policy of independent Ukraine, one may state that it does not distinguish itself by the stability of the priorities.

Following the declaration of independence, Ukraine’s foreign policy was
developed in several directions. The main direction was relations with the
countries of the CIS, Russia, the USA, the countries of Central and Eastern
Europe (CEE) and the so-called block of the GUUAM countries (Georgia,
Ukraine, Uzbekistan, Azerbaijan, Moldova).

1.2.1. Ukraine's Relations with the Countries of the CIS

Ukraine was one of the initiators of the Commonwealth of the Independent
States (CIS) which, together with Russia and Belarus, signed founding treaties
in December 1991. Later another nine states joined these three countries, and
the CIS became the formation uniting all former republics of the Soviet Union
(with the exception of the Baltic States), with a sufficiently vague structure and
functions. Some member-states of the CIS sought by means of this organisation
to develop close economic, military and other interrelations that had formed in
the soviet time by maintaining centralisation of these relations (Russia, Belarus,
Kazakhstan), others on the contrary, treated the CIS as a provisional instrument
only, which eventually could facilitate the entire disintegration of the former
USSR (Ukraine, Turkmenistan, Uzbekistan).

Ukraine takes part in many treaties and programs of the CIS, the Interstate
Committee on Economics of the CIS, however, it refused to access to the
essential Collective Security Treaty signed in Tashkent in May 1992 (after
1999 only six member states of the Commonwealth – Russia, Armenia, Belarus,
Kazakhstan, Kirgizia and Tadzhikistan – decided to create the system of collective
security within the framework of the CIS. Ukraine does not participate in
either the Customs Union of the CIS (only Russia, Belarus, Kazakhstan, Kirgizia
and Tadzhikistan try to implement this project) or in the economic community
of Eurasia established in 2000 or in other more important projects of the
CIS3. Though in 1994-1995 President of Ukraine Leonid Kutchma intensified
his policy with respect to the CIS (he agreed to join some joint military-
industrial projects of the Commonwealth, to take part in the common structure
of protecting the air space, etc.), out of 130 CIS documents signed by Ukraine
by the middle of 1998, the Supreme Council has ratified only 304. The following
facts show the decreasing intensity of Ukraine's relations with other countries
of the CIS: in 1991 Ukraine's export to the countries of the CIS accounted for
82.4 per cent of the total export, whereas in 1999 Ukrainian export to the
countries of the Commonwealth of the Independent States accounted for 28.1
per cent5.

Ukraine demonstrated its non-traditional, activist position towards the
CIS in January 2003 when at Vladimit Putin's proposal Leonid Kutchma agreed
to chair the CIS and when in February 2003, in co-operation with Russia,
Belarus and Kazakhstan, it established the so-called “Summit of Four” aimed at creating a single economic space between the said countries. However, this initiative, like the earlier attempts to deepen economic integration in the CIS or in the narrower framework, is assessed by experts as another declaration, for the implementation of which the political willpower will most probably be lacking. In its foreign policy Ukraine treats the CIS rather as an instrument whereby it demonstrates its good relations with Russia and other pro-Russian republics of the former Soviet Union, however, in reality it is not interested in developing co-operation within the CIS framework.

1.2.2. Ukraine and Russia

L. Kravtchiuk, the first President of independent Ukraine, was the leader of a clear pro-western orientation, however, for Leonid Kutchma, who became President later, Russia became the “first” priority in his “multivectoral” foreign policy of Ukraine. Despite close historical and cultural links between both countries and constant declarations made by the Heads of Ukraine and Russia about the strategic partnership of both countries, interstate relations between Ukraine and Russia have been developed rather slowly thus far. Russia has constantly been trying to make use of Ukraine’s economic dependence on import of energy resources and industrial raw materials by imposing co-operation conditions that are more favourable to it, whereas Ukrainian politicians, in their turn, have always demonstrated their desire to intensify relations between the countries mainly to reduce such pressure exerted by Russia.

As far back as 1993, responding to the active pro-western policy pursued by the heads of Ukraine, Russia started selling energy raw materials to Ukraine at market prices. In the spring of 1994, Ukraine’s debt to Russia for natural gas, nuclear fuel and oil reached to 3.2 billion US dollars. Leonid Kutchma, seeking to maintain the economic stability of the state and to further receive Russian energetic resources, was forced to make certain political concessions. On 31 May 1997 Ukraine and Russia signed the Friendship, Co-operation and Partnership Agreement, and, in exchange for the annulment of the debts to Russia, it agreed to transfer 32 per cent (out of 50 per cent it possessed) of the Black Sea Navy property.

Since Ukraine’s relations with the West deteriorated significantly in 2000–2001 after the “scandal of recordings” and the disappearance of journalist H. Gongadze, with which the President of the country and its surroundings are thought to have associated themselves, Leonid Kutchma had to “overcome” pending international isolation in the foreign policy by getting closer to Moscow. In 2000 alone, L. Kutchma and President of Russia V. Putin met 10 times
(counting only bilateral meetings), in 2001 the parties signed 16 various
documents on co-operation in the sphere of technology, industry, energy, space
exploration, etc. L. Kutchma agreed to connect electrical networks of Ukraine
and Russia anew so that the latter could export surplus electrical energy at a
profit through the territory of Ukraine though this project was clearly detrimental
to the electric power stations of Ukraine10, etc.

Hence, though bilateral relations between Ukraine and Russia have
obviously intensified of late, Ukraine is not an equal partner of Russia, co-
operation between these countries is mainly based on Ukraine's concessions to
Russia due to the exerted economic pressure or on Ukraine's attempt to avoid
international isolation now that its relations with the West have deteriorated.

1.2.3. Ukraine's Relations with the USA

Seeking to "balance" Russia's impact on Ukraine's home and foreign policy,
the development of relations with the USA, political and economic support
provided by the West to Ukraine are of paramount importance. However, it
may be stated that the present state of relations between Ukraine and the USA
nonetheless fails to satisfy Ukraine's expectations. Having declared its
independence Ukraine expected real security guarantees, as well as economic and
political support from the USA, seeking to come closer to EU and NATO. In
1994-1997 acting both directly and indirectly (i.e. through multilateral
mechanisms – IMF, the World Bank) the USA really generously supported the
development of democracy in Ukraine, as well as economic reforms that had
been started to be carried out in the country. However, later both Ukraine's
engagement in the reforms and the support provided by the USA and the
international financial institutions to that country notably decreased (see Table 1).

The USA policy with respect to Ukraine (like, by the way, the policy of
Ukraine with respect to the West) was not consistent. After Ukraine had declared
independence, the USA, first and foremost, was interested in its nuclear
disarmament. In 1994 a tripartite agreement between Russia, Ukraine and the
USA was signed, which provided for taking away the nuclear weapons to Russia
and mutual security guarantees for Ukraine. After that, in 1995, in the official
USA document Ukraine was for the first time referred to as the USA 'strategic
partner'11. Despite such declarations, independent relations between the USA
and Ukraine were not developed, even in the recent years co-operation with
Ukraine has taken place within the context of relations with Russia.

Seeking to prevent Russia from dominating again in the entire space of
the former Soviet Union, in 1997 NATO and Ukraine signed a Charter in
which they agreed to co-operate in the political-military sphere, NATO
recognised the status of the Ukrainian military forces that were independent of Russia, etc. With the approval of the USA, Ukraine managed to become the first country of the CIS which joined NATO program “Partnership for Peace”.

On the other hand, support of the USA still remains reserved because the following principle is adhered to: relations with the Ukraine must not worsen relations with Russia. For example, at first the USA supported the idea of signing the NATO-Ukrainian Charter, however, later it was actively sought that the variant of the Charter, which is more favourable to Ukraine, should not be adopted. The USA encouraged Ukraine to make use of the support provided by the international financial institutions, however, later it became one of the most active agents seeking to weaken that support. With the monetary crisis in Russia deepening in 1998-1999, international financial assistance was especially important to Ukraine, however, payments were delayed; when the crisis was over, support to Ukraine was provided under much stricter conditions than to Russia itself\(^{12}\), etc.

Relations between the USA and Ukraine deteriorated especially significantly in 2001-2002. After the terrorist acts of 11 September, the USA came closer to Moscow. Moreover, in 2002 the USA announced that it suspected that Ukraine, by violating sanctions of the United Nations, could have secretly handed over to Iraq radar systems “Kolchuga”.

Table 1. Transactions of the International Monetary Fund with Ukraine (1994-2003)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total accounting of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payments</td>
</tr>
<tr>
<td>1994</td>
<td>249,325,000</td>
</tr>
<tr>
<td>1995</td>
<td>787,975,000</td>
</tr>
<tr>
<td>1996</td>
<td>536,000,000</td>
</tr>
<tr>
<td>1997</td>
<td>207,262,000</td>
</tr>
<tr>
<td>1998</td>
<td>281,815,500</td>
</tr>
<tr>
<td>1999</td>
<td>466,600,000</td>
</tr>
<tr>
<td>2000</td>
<td>190,070,000</td>
</tr>
<tr>
<td>2001</td>
<td>290,780,000</td>
</tr>
<tr>
<td>2002</td>
<td>0</td>
</tr>
<tr>
<td>2003 (till 03 31)</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Internet address of the International Monetary Fund
http://imf.org/external/np/tre/tad/extrans1.cfm?memberKey=993&endDate=2003%03%31&fin_position_flag=YES
After Russia expressed its disapproval of the US military operation against Iraq, the relations between the USA and Ukraine intensified again. The USA (through Poland) offered to Ukraine to take part in stabilising the situation in the post-war Iraq. Though constructive co-operation between the USA and Ukraine is impossible, détente in the relations of these states has been too temporary thus far and dependant on the international situation, so that they could form the basis of more evident Ukraine’s engagement in co-operation with the West.

1.2.4. Ukraine’s Relations with the Countries of Central and Eastern Europe

Ukraine regards its relations with the countries of Central and Eastern Europe as an additional instrument of its foreign policy in seeking EU membership and constructive co-operation with the West on the whole. Ukraine has signed agreements on friendship and co-operation with Poland, Lithuania, Hungary, and Slovakia. Relations with the first two countries are especially close: co-operation institutions at the highest political level (Councils of the Presidents, groups for inter-parliamentary relations) have been established, many joint economic projects have been prepared, co-operation in the military sphere is strengthening (e.g. joint Ukrainian and Polish battalion in Kosovo, etc.).

In their turn, the countries of Central and Eastern Europe first of all are interested in strengthening economic co-operation with Ukraine. Manufacturers of the Czech Republic, Hungary, Poland, the Baltic States are impressed by the huge market which has been relatively easy to enter thus far. On the other hand, security of the countries of Central and Eastern Europe depends on the development of Ukraine’s independence and democracy, therefore the former are interested in developing not only economic but also political, social and cultural relations with Ukraine.

Poland has always been and still is Ukraine’s oldest and most consistent “advocate”. It seeks to engage Ukraine in joint initiatives with the West (NATO and EU), the USA policy with respect to Ukraine manifests itself indirectly through Poland. Poland, seeking to defend Ukraine’s positions with respect to Russia, in 2001 refused to issue permission to Russia to lay a second branch of gaspipes Jamal-Western Europe through its territory to transport its natural gases from Russia via Poland to Slovakia and farther to Western Europe, leaving Ukraine aside. The Prime Minister of Poland maintained at that time that Poland could not disappoint its strategic partner Ukraine. True, later permission was given, however, Poland and Ukraine carry on developing joint energy projects seeking to reduce economic dependence on Russia.

Recently Lithuania also has intensified its policy with respect to Ukraine. In October 2002, when President Leonid Kutchma was visiting Vilnius, the
President of Lithuania stated that the country “is determined to be the best advocate for Ukraine marching into the European Unions”\(^{15}\). Being a defender of Ukraine’s interests, Lithuania has certain advantages. First, “being an advocate” to Ukraine, contrary to, for example, Poland, does not cause any sharp reactions on the part of Russia. This is favourable not only to Ukraine itself, but also to Poland, which does not want to spoil its relations with Russia. Second, Ukraine’s getting closer to Lithuania is psychologically more attractive to many Ukrainian residents, especially those in its Western part, who are famous for polonophobia\(^{16}\), etc.

1.2.5. Ukraine and GUUAM

Another important trend in the foreign policy of Ukraine is the development of relations with the so-called block of the GUUAM states established in 1997. Apart from Ukraine, this block contains Georgia, Azerbaijan and Moldova and in 1999 Uzbekistan joined it. The GUUAM countries, seeking to reduce Russia’s economic, military and political dominance in the space of the CIS, as far back as in 1997 agreed to “lay” a transport corridor through their territories through which oil and gas would be transported from the Caspian Sea to the European states, leaving Russia’s network of pipes aside. Furthermore, the GUUAM states seek for closer co-operation in the political and military spheres. In 1998 Ukraine, Georgia and Azerbaijan organised joint tactical exercises for the first time in history with the absence of Russia, and they plan to establish a regular peace-keeping battalion\(^{17}\). The GUUAM members have also agreed to co-operate with one another when taking part in the NATO program “Partnership for Peace”, and to take the same positions at international forums co-ordinating them with the Western countries.

Despite the support of the West to GUUAM, and a certain co-operation of these countries seeking at least partly to balance Moscow’s impact on the CIS, the perspectives of GUUAM remain vague. Resolution of Ukraine, like that of other countries, to develop co-operation within the GUUAM framework changed with passing of time. Currently Moldova does not participate de facto in the activities of GUUAM, and Uzbekistan refused to co-operate de jure. Hence, restriction of Moscow’s impact in the CIS and directly on Ukraine acting through GUUAM further remains an unused possibility in Ukraine’s foreign policy.

In summing up, it may be stated that following the nationalistic and clearly pro-Western orientation of the first President L. Kravchuk, President Leonid Kuchma, elected for his first term of office in 1994, started to formulate and implement Ukraine’s “multivectoral” foreign policy. Despite certain attempts, the main objective of this policy – “To the West together with
Russia" – has remained unrealised. In 1997-1998 Ukraine, which up till that time tried to develop equally intensive relations both with Russia, the CIS and with the West (the USA, the EU states, NATO), actually found itself in the diplomatic cul-de-sac. On the one hand, it was sought to avoid deepening the economic and military co-operation within the CIS framework. On the other hand, the Parliament of Ukraine was slow in ratifying the EU Partnership and Co-operation Agreement signed in 1994. At that time Ukraine officially did not express its desire to become a member either of the EU or NATO. Russia exerted political pressure on it with respect to unpaid debts for natural gas. In 2000-2001 the Eastern trend again started to dominate in Ukraine's foreign policy, and it was only in recent years that new attempts of that country could be observed in seeking to intensify its relations with the West.

1.3. Problems of Ukraine's Engagement to Seek EU Membership

Ukraine's declared attempt to become a EU member cannot be assessed as a “frozen”, unchanging priority of the country's foreign policy thus far. Both internal and external circumstances may render Ukraine's perspectives of EU membership complicated. The internal reasons, first and foremost, are insufficient engagement of the political elite of the country for EU membership, without which it is impossible to properly prepare for EU membership. At present Ukraine's membership in the European Union is unambiguously supported only by some political forces, some regions of the country, several non-governmental organisations and the intelligentsia, however, there is no common agreement between the political forces and no consensus of the public on this issue. The external problems are the inadequate policy of EU itself with respect to Ukraine and economic dependence of the country on Russia, with Russia being granted the powers to influence the priorities of Ukraine's foreign policy.

1.3.1. Internal Factors, Complicating Ukraine's Engagement to Seek EU Membership

The political elite of Ukraine has never been united with respect to the objectives of the country's foreign policy. Actually, changes in the country's orientations in the foreign policy (at least till the elections to the Supreme Council held on 31 March 2002) were determined by a distribution of power between three political camps: (1) the extreme left block to which the Communist and Socialist parties of Ukraine were attributed, expressing nostalgia for the soviet times, the former USSR and seeking closer integration of Ukraine into
Russia (as well as Belarus); (2) pro-Westerly disposed reformists to which “Our Ukraine” headed by V. Jushchenko and the electoral block headed by J. Timoshenko belong, which actively support the ideas of Ukraine’s membership in EU and NATO; and (3) the block of centrists, the basis of which is formed by the movement “For United Ukraine” and the Social Democratic Party of Ukraine. This political camp makes use of the support provided by the oligarchs of the country, supports President Leonid Kuchma and speaks for the “pragmatic” foreign policy, that is, for restricted going to the West without spoiling relations with Russia. By the way, due to the fact that the centrist parties are supported by the so-called oligarchs, they are politically restrained in resolving political issues of the country - if this political block is clearly going to engage in economic reforms, liberalisation of the market and other kinds of restructuring, which are unavoidable in seeking EU membership, it will risk to lose the financial assistance of the major businessmen of the country. These business people profit mainly from intermediation reselling Russia’s energy resources in Ukraine, or are owners of large monopolistic enterprise, therefore they are least interested in liberalisation of the market, which would be inevitable upon the country’s accession to the EU.

At the Supreme Council of Ukraine of 1997-2002, the Communist faction in parliament was the largest one and together with the pro-presidential centrist political forces constituted a majority. It can be maintained that this fact determined the strengthening of pro-Russian tendencies in Ukraine’s foreign policy. However, after the elections held in 2002, the communist block lost the status of the largest electoral block for the first time in the history of Ukraine, and the party “For United Ukraine”, supported by Leonid Kuchma and the oligarchs, received only 12 per cent of the votes. Reformists (the block “Our Ukraine” headed by the former Prime Minister and the block headed by J. Timoshenko) became the main political force in the Ukrainian Parliament, however, they alone were not enough to form the parliamentary majority. Though the reformists’s block in certain situations agreed with the Communist and Socialist Parties of Ukraine to vote unanimously, the latter are not too influential, and at present the main competition takes place between the so-called Reformists and the Centrists who support Leonid Kuchma.

Taking such a situation into consideration, one may state that Ukraine’s aspiration to become a EU member at least till the next parliamentary elections or the presidential elections, that is, at least within the immediate 1-4 years, may remain only an empty declaration. The implementation of this aspiration first of all is complicated by the absolutely likely problems related to co-ordination of actions of individual politicians. President Leonid Kuchma is the main figure formulating Ukraine’s foreign policy, and though recently he
has intensified the policy in the direction of the West, he remains a supporter of the “multivectoral” orientation of Ukraine’s foreign policy. Pro-westerly disposed B. Tarasiuk chairs the European Affairs Committee of the Supreme Council, however, he is a representative of V. Jushchenko’s block “Our Ukraine” opposing the President (by the way, in 2000 he was dismissed from his post on the President’s initiative as an unfavourable minister, with Ukraine seeking closer co-operation with Russia). A member of the pro-presidential political force “For United Ukraine”, D. Tabchenka heads the Foreign Affairs Committee of the Supreme Council, the party that he represents is supported by large businesses of the country who are against Ukraine’s rapprochement with EU.

Such a disunity of the political elite with respect of the country’s EU membership is not a temporary problem, which may be resolved having re-elected the President of the country, or the ratio of the forces in the Parliament having changed. Unanimous engagement of the political elite, as well as the approval of the public, necessary for the country’s integration into EU is complicated by the structural factors – a specific ethnic composition of the population of Ukraine and the absence of a unifying – national – identity.

The soviet policy of industrialisation and russification and divisions of territories in the different historic periods determined the fact that at least three groups of inhabitants with a specific (sufficiently different) identity, political viewpoints and, correspondingly, with approval of one or another orientation in the country’s foreign policy can be distinguished in the present-day Ukraine:

1) In Western Ukraine (Districts of Lvov, Volhynia, Uzhorod and others), which is most poorly industrialised, in which the Russian-speaking population is smallest, and which is politically most active (the total of about 10 million people), the majority of the inhabitants support reformistic political forces and speak for dominance of the western orientation with respect to Ukraine in politics;

2) In Central Ukraine, which was strongly industrialised in the soviet years, in which one-quarter of the population is Russian-speaking people, however, the elite of the largest cities is of the Ukrainian origin (the total population is about 30 million), neither a unifying Ukrainian nor Russian identity has been formed. Preferences of these inhabitants with respect to a political orientation of Ukraine’s foreign policy (Russia-the West) distributes almost equally;

3) In eastern Ukraine (the districts of Donbas, Donetsk, Lugansk and others) and the Crimea Peninsula, where the Russian-speaking population clearly dominates (a total of about 10 million people), moods of soviet nostalgia prevail and the majority of the inhabitants speak for a
closer co-operation with Russia, they would even approve of the idea of Russia's union with Belarus (See Charts 1-3).

It is interesting to note that in August 2001 the proportion of the inhabitants of Ukraine who approved of the ideas of a union with Russia and Belarus and of Ukraine's integration into EU was more or less equal (38 per cent and 32 per cent, respectively, see Chart 2), however, in September 2001, following the terrorist acts of 11 September in the USA, pro-Russian moods clearly started to dominate, though the percentage of the people supporting the idea of EU membership decreased insignificantly. Currently the majority of Ukraine's population support the idea of rapprochement with Russia and Belarus – 57 per cent (see Chart 1), however, in the regions preferences obviously differ: in the West only 14 per cent of the inhabitants support the pro-Russian orientation, in the centre – 51 per cent, and in the east – as many as 81 per cent. In the south (Crimea Peninsula) – 68 per cent (see Chart 3).

Chart 1. The Entire Ukraine
From your point of view, in which union would the Ukrainian people live better – in the union with EU or in that with Russia and Belarus?

Chart 2. Tendencies as of 28 August 2001 – 20 March 2002
With such an ethnic structure and preferences, any political party of the country, and particularly the President, who is the main formulator of the foreign policy, and who is elected in Ukraine directly (a second term of office of Leonid Kutchma ends in 2004) cannot engage in any specific trend in the foreign policy. Seeking to achieve as wide support of the public as possible, no politician or political party finds it useful to be either of a pro-western or pro-Russian orientation because none of these positions can guarantee a victory in the elections (the proportion of the population with a clearly pro-western and pro-Russian orientation is approximately 1/5, whereas the identity and foreign policy orientations of the largest majority are not clearly articulated).

In summing up it may be stated that the engagement of the political elite of Ukraine in EU membership is complicated due to both structural reasons and situational factors (impacts of the interests of large business related to Russia on the pro-presidential political block, disagreements inside the political elite). With such a situation prevailing, Ukraine's preparation for EU membership, despite optimistic declarations and forecasts made by President Leonid Kutchma, may get stuck due to a lack of political willpower.

1.3.2. External Interference in Ukraine's Aspiration to Become a EU Member

Analysing the reasons why relations between Ukraine and EU have moved forward so insignificantly after signing the Partnership and Co-operation Agreement – PCA in 1994, one should distinguish not only the insufficiency of political willpower in Ukraine, but also ambivalence of the EU policy with

![Chart 3. Macrregions](http://www.ukraine.ru.fom/26_03_2002/table06.html)
The Western European countries and the European Union (as an organisation) for a long time regarded Ukraine in their foreign policy as a (desirably) stable state rather than a potential economic/political partner, which would cause no problems of illegal migration, international crime and similar problems, as well as which could play a role of a “buffer” by cushioning against Russia’s possible aggression. EU reacted to Ukraine’s attempts to maintain a dominating western orientation in its foreign policy especially sluggishly. Moreover, differently from any other country of Central and Eastern Europe seeking EU membership, Ukraine has not had “patronage” of any EU Member State up till now (for example Finland helped to defend Estonia’s interests, Germany – those of Poland, France helped Romania, etc.).

In 1994 Ukraine and the EU signed the Partnership and Co-operation Agreement, however, it entered into force only in 1998 because the Foreign Ministry of the country failed to mobilise the attempts of the Supreme Council and the Ministry of Energy. In 1999 the Common EU strategy with respect to Ukraine was approved, which stated that “a clearer perspective is necessary on how to develop EU-Ukrainian relations” and recognised that “there is no sound reason for refusing Ukraine the possibility at some time in the future to join EU”. As far as 1998 President of Ukraine Leonid Kutchma signed a decree on Ukraine’s strategy seeking EU membership, however, only the EU Summit meeting held in Göterburg in June 2001 officially welcomed Ukraine and acknowledged its desire to come closer to Europe. Representatives of Ukraine were invited to participate in the European conference – Ukrainian diplomats had expected such a reaction from EU several years earlier, however, EU did not show any initiative to help Ukraine maintain its “multivectoral” foreign policy during the crisis period of 1997-2000.

The EU policy with respect to Ukraine, which was not intensive and did not encourage rapprochement during the entire period of independence of that country, in its turn did not contribute to consolidating self-determination of the Ukrainian public and its political elite about the country’s EU membership. Only in the spring of 2002, under the presidency of Spain, the initiative of “The New Neighbours” was approved by EU, which later was developed by Denmark – this was one of the first attempts of the European Union to really intensify, differentiate and specify EU co-operation with Ukraine.

Differently from the EU, Russia’s policy in seeking to maintain its influence in Ukraine was considerably more aggressive. After the downfall of the Soviet Union, Ukraine’s economy became to a large extent dependent on the supply of Russian raw materials, and this economic vulnerability of Ukraine left the possibility for Russia to influence the country’s foreign policy priorities including its self-determination concerning EU membership.
Russia is still the main trading partner of Ukraine, over 40 per cent of natural gas consumed in Ukraine, nuclear fuel, petroleum and other products are imported from Russia. As long as Ukraine was the only state through which Russia could transport natural gas to Western Europe, the country had strong negotiation positions in its economic relations with Russia. However, in 1999, when the second stage of the construction of gas-pipe Jamalas-Western Europe was completed (through this gas-pipe natural gas is transported from Russia to Western Europe through Belarus and Poland), Ukraine lost its strategic importance for Russia in the sphere of export of natural gas. Russia may manipulate with prices for raw materials, the roads of their transportation and also influence Ukraine's preferences in the foreign policy – Russia's prices for energy resources are 3-4 times lower the countries of the CIS than those to the Western countries, and their transit through the territory of these countries to Western Europe is a profitable business. The policy of pressure with respect to Ukraine was applied as far back as in 1993–1994, and that fact determined the increase of Ukraine's foreign debt and financial instability within the country. As it has already been mentioned, in 1994 Ukraine's debt to Russia for natural gas exceeded 3 billion US dollars, however, even today Ukraine's debt to Russia for natural gas amounts to 1.2 billion US dollars. Russian authorities demand that this should be compensated for by the shares of Ukraine's strategic enterprises, which would increase the influence of Russia and pro-Russian oligarchs on the country's policy, including also a foreign orientation, even more.

In summing up, it could be stated that Ukraine's engagement in EU membership is complicated due to both situational factors (disagreements between the leaders of political parties, insufficiently benevolent EU policy) and structural ones, i.e. factors inherited from the period of the soviet rule (Ukraine's ethnic composition, absence of a unifying identity, economic dependence on Russia). Elimination of the latter is hardly possible, therefore there remain doubts whether the aspiration declared by the President of Ukraine to become a EU member by the year 2011 would be successfully implemented.

2. Perspectives of a Dialogue between the EU and Ukraine

2.1. Review of Relations between the EU and Ukraine

Relations between the European Union and Ukraine (like those with other countries of the CIS) in the last decade of the 20th century were characterised as "complicated partnership". In essence the European Union based its policy on several basic principles: a) encouragement of democratic processes and strengthening of statehood; b) bilateral agreements do not create preconditions for EU membership. At that period main attention of Brussels was devoted to Moscow. This political line started to change after 1993.
In essence the following main stages may be distinguished in the relations between the EU and Ukraine:

- 14 June 1994 – 1 March 1998. It was framed by signing the Partnership and Co-operation Agreement, and Ukraine became the first country of the CIS that had signed an agreement of such a nature. It formed a legal basis for Brussels-Kiev co-operation, set practical trends of that co-operation (for example, the possibility of creating a free trade zone), had to help Ukraine adapt to EU legal basis regulating economic relations, encourage the process of its accession to the World Trade Organisation. Realising Ukraine's importance to the security and stability of the European continent, on 28 November 1994 the EU announced the “Common Position”, and on 6 December 1996 the “Action Plan”. The appearance of the latter was without any doubt influenced by the statement of Leonid Kutchma made in April 1996 at the Parliamentary Assembly of the Council of Europe on the strategic objective of Ukraine – integration into Euro-Atlantic structures, giving priority to full EU membership. Support of Ukraine's independence, its territorial integrity was expressed in the said EU documents, democratisation of the political system, economic stabilisation and the country's integration into the world economic system were approved of. At that time specific bilateral agreements regulating most disputable spheres of economic relations (the issue of exportation and importation of steel and textiles) were signed. Ukraine received support from different international programs financed by EU.

- 1 March 1998 – the end of 1999. During that period Kiev ratified the Partnership and Co-operation Agreement: the main institutions of co-operation specified in the Agreement were established (the Co-operation Council at the foreign ministers' level; the Co-operation Committee at the level of high civil officials, Sub-Committee at the level of experts, Committee in Parliamentary Co-operation and others); Leonid Kutchma's decree on Ukraine's integration into ES strategies was announced (11 June 1998) in which EU was once again identified as Ukraine's main strategic aspiration. Ukraine's diplomatic attempts were intensified even more after the decision to draw up EU common strategy of the foreign and security policy was adopted at the EU Summit meeting in Vienna (December 1998). That strategy provided for the development of relations with the immediate EU neighbours (including Ukraine). It should be emphasised that in 1999 disagreements started to appear in the EU-Ukraine dialogue. Kiev sought to achieve that the common strategy should record the provision for the recognition of Ukraine's future EU membership, however, it implemented the requirements laid down in the Partnership and Co-operation Agreement unwillingly and inconsistently. Meanwhile Brussels insisted on practically implementing the Agreement rather than speculating on the issue of a future membership.
- from the “EU Common Strategy on Ukraine” adopted at the Helsinki Summit held on 10-11 December 1999. Though it did not record the provision on Ukraine’s compliance with the Copenhagen criteria or the possibility for it to become a full EU member, Ukraine’s “European choice” and its “European aspirations” were underlined for the first time. These provisions gave a new impetus to the cooperation between Brussels and Kiev. The strategy provides for support of Ukraine’s democratisation and economic reforms, defines the common security challenges, expresses the necessity to strengthen relations (EU assistance to Ukraine’s in its integration into the world economic system, co-operation in the justice and home affairs, etc). Gradually Kiev refused to recognise the requirements concerning EU membership, and devoted more attention to the interior problems of the country and the implementation of the provisions laid down in the Partnership and Co-operation Agreement (for example, Kiev did not only announce but also closed down Chernobyl Nuclear Power Station in December 2000; for a long time this issue was the most complicated one in relations with EU).

- it is likely that 2002-2003 may be treated as the beginning of the fourth stage in the EU-Ukrainian relations. It is marked by the EU Summit meeting held in Copenhagen in December 2001 and the Communiqué announced by the European Commission in March 2003 on “Wider Europe”, which caught Kiev’s special attention.

In any case, it is obvious that in the second half of 2002, Ukraine’s attempts to seek EU membership intensified. Though aspiration for the EU membership had been declared earlier, then it remained only as a political declaration, and no important steps towards the EU membership or the necessary reforms were made. The present situation seems to show that the political elite of Ukraine has finally started to realise what the EU has been accentuating for several years already: with no internal radical reforms taking place, any discussion about the country’s membership in the European Union is meaningless. Hence one can see a certain qualitative breakthrough in the consciousness of the country’s political elite.

In generalising, it can be emphasised that within the framework of a political dialogue, annual EU and Ukraine Summit meetings, the sitting of the Co-operation Committee and meetings of ministers and political directors in the format of three are taking place. Furthermore, twice a year the EU Committee on Politics and Security meets with the representatives of Ukraine. At the same time it should be underlined that the present format of relations is not acceptable to Kiev, which has declared its resolution to implement the declared strategic objective – EU membership. Ukraine seeks to sign the Association Agreement with EU and wants the EU to name the exact date of its future membership. It
is not by chance that Kiev has offered a specific schedule for the country’s process of integration into EU:

2002 – 2003 – Ukraine becomes a member of the World Trade Organisation;

2003-2004 – The Association Agreement between the EU and Ukraine is signed;

2003-2004 – the free trade zone of EU and Ukraine is established;

2002-2007 – Ukraine’s legal basis (in the priority spheres) is harmonised with the EU legal standards;

2004-2007 – the Association Agreement between EU and Ukraine enters into effect;

2005-2007 – Customs Union of EU and Ukraine is created;

2007-2011 – The Association Agreement between EU and Ukraine is completed to be implemented, and Ukraine satisfies the Copenhagen criteria;

2011 – Ukraine is ready to take up commitments of EU membership.

In its turn the EU does not reject the possibility of Ukraine’s membership, though it does not clearly undertake to accept it. Before starting negotiations over EU membership, and even prior to concluding the Association Agreement, in the opinion of Brussels, Kiev must carry out essential political, economic, legal, institutional and administration reforms, in other words, go through all usual stages of a state seeking EU membership in the relations with EU: the Free Trade Treaty, the Association Agreement, negotiations over membership, the Accession Agreement and its ratification. It is true, the possibility is not rejected that in the case of Ukraine (and perhaps in the case of other Eastern neighbours) somewhat different, slightly modified “mode of accession” may be selected. For example, instead of two – the Free Trade Treaty and the Association Agreement – one integrated agreement may be signed. On the other hand, this does not change the contents of the aims and process of Ukraine’s integration into EU.

Within this context, it is remembered that Ukraine announced its main documents on integration into EU in 2000 – the Programme of Ukraine’s Integration with the EU – PIUUUE. In 2002 the Government of the country approved the Action Plan of this Program. The measures specified in that Plan differ both in their scope and practicality of their implementation. Some measures are of a very general nature, however others are quite detailed. However, implementation of these measures in practice still remains the major challenge. Both internal (the insufficient budget, etc.) and external (e.g. non-preparedness of the Member States to conclude bilateral agreements with Ukraine) reasons. The key objective of the Ukrainian Government should be to aspire that the fate of a similar document adopted as far back as 1994 “Taking the Track of
Radical Reforms" should not befell this Program and its Action Plan. Though that document was given a positive assessment, it remained unimplemented.

2.2. Ukraine’s Aspiration to become a EU Member: Political Criteria

Seeking membership in the European Union, Ukraine, first and foremost, must satisfy the main – political – criterion of the EU membership: there must exist stable political, civic institutions to ensure democracy, the legal status, the human rights and respect for ethnic minorities. Also, for Europeanisation of Ukraine it is very important to be able to ensure protection of the state borders, and to efficiently fight against organised crime, terrorism, trafficking in drugs, arms and people, illegal migration. Ukraine will be granted the status of a candidate country and will be able to start negotiations over EU membership only after it has been recognised that it satisfies the political criterion of membership.

2.2.1. Condition of Democracy and Human Rights in Ukraine

To successfully develop relations between the EU and Ukraine in this direction, Ukraine must satisfy the main – political – criterion of EU membership. Ukraine will be granted the status of a candidate country only after it has been recognised that stable institutions ensuring democracy, the legal status, the human rights and respect for ethnic minorities exist there.

Current condition of democracy and the human rights in Ukraine satisfy neither the EU nor other international organisations, nor Western states:
- Various violations (though not too significant) have been observed in all elections that have taken place thus far. This fact has been recognised by the OSCE observers. Such violations decrease legitimacy of the elected authorities in the eyes of both the public and the international community.
- The Government regulates activities of the mass media too strictly, and scandals related to restrictions imposed on the right of free speech increase distrust in public authorities. 36 journalists met with violent death since 1993. Beatings of journalists and threats issued to them, freezing of bank accounts of the mass media, confiscation of newspapers and other publications became an everyday phenomenon in Ukraine. The EU has many a time expressed concern about the condition of the mass media in Ukraine.
- The current level of corruption in Ukraine is extremely high.
- Though the Constitution declares independence of courts, courts are submitted to political pressure, the level of corruption is high because judicial authorities are inefficient.
Many facts have been recorded where the police and prison official beat and torture detainees and prisoners. However, the officials who have committed these crimes are rarely subjected to punishment.

Living conditions in prisons are very bad and pose a threat to life and health.

The period of pre-trial detention is very long. Besides, courts are overloaded with work, they lack financial and human recourses, which renders their work ineffective and court proceedings are often too long.

Violence against women and children still poses a serious problem.

Anti-Semitic manifestations occur (for example, desecration of graves).

The Government poses obstacles to workers to establish trade unions.

Facts of trade in arms with the countries which are prohibited to engage in such trade, increases distrust of the West in Ukraine.

True, recently the Ukrainian Government has taken certain measures to develop democracy and ensure human rights.

The death punishment has been abolished in the Penal Code.

Amendments of the Law have been adopted whereby the right to issue warrants of arrest, of search, as well as authorisations to listen secretly to other people's conversations has been transferred to courts (earlier prosecutors issued these authorisations).

The State has taken into consideration requirements of some religious communities. True, these attempts are insufficient - local authorities still pose different bureaucratic obstacles to the religious communities to acquire buildings and land, as well as to carry out restitution.

Trafficking in women and children, as well as their sexual exploitation further remains a serious problem, though the Government has taken different measures to fight against this phenomenon.

Hence, these measures are minimal and they are obviously insufficient for the country to fully satisfy political criteria of EU membership and to claim a start of negotiations over EU membership. De facto negotiations over EU membership will not be started as long as the candidate country fails to fulfil the political criteria of membership.

Furthermore, the instability and fragility of the political system of the country further remains an additional problem. A huge fragmentation of political forces (about 50 political parties have been registered) is characteristic of Ukraine, and this creates a favourable medium for the tendencies of authoritarianism. Besides, the political parties disagree about the country's aspiration, to seek EU membership. Only several political parties clearly declare this aspiration and this is reflected in their programs. This poses a certain threat because the continuity of the policy of the country in seeking membership is of great
importance to EU. In the event if the new government fails to fulfil the commitments undertaken by the previous governments due to one or another reason and the planned reforms are terminated or their course is changed, this may seriously do harm to Ukraine's aspiration to become a EU member.

The level of knowledge of the public about integration into EU is very low. Though many people support the very idea (according to the survey results, 56 per cent of the population speak for Ukraine's integration into EU), at the same time 52 per cent of the respondents speak for closer integration with Russia and Belarus, and as many as one third of the respondents want Ukraine to be a part of both EU and a common Russian-Belarussian state. Hence, the majority of the population of Ukraine has at least only a theoretical understanding about EU.

2.2.2. Necessity to carry out reforms

To satisfy the political criteria of EU membership and be granted the status of a candidate country, as well as to start negotiations over EU membership, Ukraine must:

Ž Ensure free and democratic elections at all levels.
Ž Ensure the right of free speech.
Ž Start a real fight against corruption.
Ž Ensure independence of courts, lawyers and prosecutors.
Ž Improve living conditions in prisons, block the way to violence against the detained persons and prisoners.
Ž Clearly regulate the legal basis of financing the political parties.
Ž Legally and practically ensure equal opportunities for men and women.
Ž Ensure effective and efficient protection of ethnic and other minorities.
Ž Eliminate obstacles for workers to set up trade unions.

Only having carried out these necessary reforms, the Ukrainian Government will demonstrate that it is taking real steps towards EU membership.

2.2.3. EU support of democratic processes in Ukraine

In its turn the EU takes corresponding steps on its part. Within the framework of the Partnership and Co-operation Agreement signed between EU and Ukraine, an intensive political dialogue is going on, which is planned to be extended in the future.

Seeking to further assist Ukraine (at the same time Russia, Belarus and the Moldova) to carry out democratic reforms, to ensure stability, security and economic wellbeing, the EU started to develop the conception of “Wider Europe”. Ukraine is most likely to practically make the best use of this initiative.

Two important initiatives should be mentioned in this context. First, in
February 2003 Poland announced the initiative of “Eastern Policy” the essential element of which is to establish a special fund which would finance the implementation of the programs ensuring the political stability, security of Ukraine, Russia, Belarus and Moldova and carrying out economic reforms.

A second important initiative is the Communiqué issued on 11 March 2003 by the European Commission “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours”. Apart from other important proposals, two the most essential EU proposals should be mentioned:

1. It is proposed to prepare individual action plans of political and economic reforms, which would specify clear objectives, the assessment criteria and deadlines for their implementation.

2. It is proposed to introduce the mechanism of assessing the progress achieved.

This should help Ukraine to carry on democratic political reforms and seek to satisfy the political criteria of EU membership. In essence, the proposed instruments comply with the instruments that have been applied at the present stage of the EU development towards the East: the Accession Partnership, programs of harmonisation and implementation of law, annual reports of the European Commission on the progress made, etc. Hence EU takes real measures ensuring the perspective of Ukraine’s membership in EU.

2.3. Ukraine and EU Co-operation in the Sphere of Justice and Internal Affairs

The EU and Ukraine are bilaterally interested in creating active and effective co-operation in the sphere of justice and home affairs – JHA. Since EU development and eventual accession of the new states to Shengen space will mean introduction of new visas and restrictions on tourism between EU and Ukraine, many questions in this sphere of co-operation are closely related to the free movement of persons. Negotiations have already been started over the issue of visas – the issue of creating such a visa regime which would not destroy small-size border trade, which is of great importance to Ukraine, is being resolved. Another issue of illegal migration is also being settled – a significant step forwards in this sphere would be the signing and entry into force of the Readmission Agreement (negotiations over the Agreement were started at the end of 2002).

Co-operation between the EU and Ukraine strengthened in 1998 after the Partnership and Co-operation Agreement between EU and Ukraine entered into effect and was actively developed in the sphere of the EU Action Plan on Justice and Home Affairs in Ukraine. Moreover, in 1999 EU Council approved
the EU Common Strategy on Ukraine, which also strengthened partnership of EU and Ukraine. After the 11 September 2001 events co-operation in the sphere of JHA has intensified even more and has been concentrated on fighting against terrorism and any organised crime - drug trafficking, cheating, illegal migration, trafficking in people. EU assistance (through TACIS and other programs) to Ukraine in 2002-2006 is provided by taking into account the Ukraine Country Strategy Paper drawn up in 2001, which is made more exact by the National Indicative Programme. Taking into account the social-economic situation of the country, this program established the key objectives and principles of co-operation, including guidelines for co-operation in the JHA sphere.

Preconditions and Objectives of Co-operation

Following this stage of EU development great changes are inevitably in store for the relations between EU and Ukraine in the sphere of JHA. As many as three of its neighbours - Poland, Slovakia and Hungary - and later perhaps Romania as well, will introduce entrance visas for the Ukrainian citizens. In strengthening the border control, EU will try to avoid the influx of illegal migrants, drugs, smuggling of goods, which get into EU either from Ukraine or through it from Russia and the Asian countries. Important changes are foreseen in the sphere of labour force migration and ensuring social guarantees to the citizens of Ukraine, because the introduction of the new order in the above-mentioned countries will limit the possibilities for the Ukrainians to get employed there.

On the other hand, illegal migration into the West will be considerately limited - according to various data, 60-100 thousand of Ukrainians worked illegally in Poland, 100 thousand in the Czech Republic, 50 thousand in Slovakia in 2000. Ukraine is unable to put a stop to a flow of illegal migration of labour force on its own, therefore the EU and its future Member States are ready to come to help to Ukraine - beginning with assistance provided in creating jobs in Ukraine itself and finishing with the increase in the quotas of relevant job permits. For this purpose it would be necessary to sign the relevant bilateral agreements, which will regulate migration of the labour force and social guarantees of Ukrainian workers in the EU Member States.

Ukraine would like EU not to put strict barriers to migration. Such strict restriction, in its opinion, would turn the country into the centre of accumulation of migrants and would destabilise the condition in the state, as well as it would create the instability zone right at the EU borders. Therefore, in the opinion of the Ukrainians, the fight against illegal migration does not only require that control should be strengthened near the western borders of Ukraine, but also that order should be introduced at its eastern and northern border, especially
that of Ukraine and Podniester, through which the largest part of illegal migrants get into the country. Besides, Ukraine proposes that EU should develop the network of consultations prior to introducing visas, simplify the procedures of documentation, establish the “optimal” price for visas.

By the way, Ukraine’s position on the especially urgent issue of visas has become less strong – Kiev no longer threatens Brussels and the capital cities of other countries demanding to make exceptions in the Schengen Agreement, but tries to make clear what requirements must be fulfilled so that it could manage to get more favourable conditions within the framework of the existing agreement. Experts of Ukraine, in considering the terms and conditions of the Schengen Agreement, try to find as many precedents as possible to apply in a “humane way” the terms and conditions of the Agreement and to use them in negotiations. Algiers is given as an example whose citizens, who have diplomatic and office passports may continue to enter Italy visa-free, and Germany abolished the visa regime for Poland right after the Readmission Agreement had been signed. Ukraine would like to apply a similar regime in respect travelling to Poland.

Co-operation in JHA sphere is being strengthened not only with the EU Member States but also with the candidate countries and third countries. EU encourages such co-operation of Ukraine. Sweden, during the period of its presidency over EU, in the first half of 2001 held tripartite consultations with Ukraine, Poland and Sweden on the issues of the migration policy, invited the representatives of Ukraine to take part in the meeting of SCIFA (the Strategic Council Committee for Immigration, Frontiers and Asylum), constantly provided information about the experience in co-operation within the Schengen format. These initiatives are aimed at helping to regulate migration by providing assistance in the sphere of reforming and creating the law and order institutions. In 2002 at the meeting of the EU Ministers of Foreign Affairs, the United Kingdom proposed to grant Ukraine a “special status of a neighbour”, which would help it carry out economic and political reforms more rapidly and improve the state in the sphere of ensuring the human rights. This status would at the same time liberalise trade between the EU and Ukraine.

It should be noted that the mass media of the EU Member States often treat rapprochement with Ukraine from negative positions: in its opinion, following the enlargement of the European Union, criminality (illegal trade, etc) will increase at the eastern borders of the Union, which “requires to establish “new relations” with the new neighbours in the East too and facilitate the fight of the new EU members against criminality on the border”. However, in Ukraine itself it is thought that EU has heard its voice, and proposes namely what Ukraine itself has always proposed. In 2003 the term of validity of the EU Common Strategy with respect to Ukraine expires and the preparation of the
new strategy is a very favourable occasion to consider new modalities of the bilateral relations. Hence, the year 2003 is especially significant to the relations of EU and Ukraine, and it is expected to maximally move forwards since in 2004 the political elite of Ukraine will start paying more attention to the approaching presidential election, and EU will be concerned with the issues of the development and will wait to see in what direction Ukraine will turn after the presidential elections.

Co-operation between Ukraine and EU according to the Treaties Signed and other EU Documents

The first meeting of EU troika and the representatives of Ukraine on the JHA issues was held in November 2002. During the meeting it was agreed to concentrate joint efforts in such spheres as readmission and migration, border activities, money laundering, trafficking in people and drugs, corruption, sexual exploitation of children and pornography. A corresponding subcommittee was commissioned to take care of these issues within the framework of the Partnership and Co-operation Agreement concluded between EU and Ukraine. Apart from all that, this subcommittee supervises the implementation of the EU Action Plan in Ukraine in the sphere of JHA and controls, as well as coordinates the entire co-operation in the sphere of JHA.

The Partnership and Co-operation Agreement concluded between EU and Ukraine forms an essential legal basis for EU and Ukraine's co-operation in the sphere of JHA, however, it does not regulate that co-operation in detail. Not only the European Commission but also all EU Member States have a right to initiate proposals. Nonetheless, it is the European Commission that is responsible for initiating and implementing the policy and actions of co-operation.

The Common EU and Ukraine Strategy with respect to co-operation between EU and Ukraine in which it is said that, having in mind the approaching EU enlargement, the position and multiple illegal border activities of Ukraine as an important transit country, co-operation with Ukraine should be concentrated in the following spheres:

Ž Assessment of illegal migration through Ukraine. Member States, in co-operation with the EU undertook, to prepare the analysis of the current situation, which would specify how to resolve this problem and what immediate actions should to taken;

Ž By improving co-operation in sending back citizens, persons without citizenship and citizens of third countries who arrived illegally into the country, as well as by concluding the readmission agreement.

Ž By unconditional application of the Geneva Treaty, including ensuring the right to ask for asylum;
Ž By creating a constant dialogue between the Member States and law enforcement bodies of Ukraine on civil and criminal issues, by seeking to encourage Ukraine to sign, ratify and implement the basic conventions;
Ž By a proposal to provide practical assistance to Ukraine in implementing its laws in the sphere of money laundering, as soon as they are adopted;
EU lists the problems which it envisages in the sphere of JHA and is ready to help resolve them (apart from everything else, by allocating 22 million euros) in the Ukraine Country Strategy Paper:
Ž To support the activity of the services responsible for border control, the increase of the efficiency of activities;
Ž To help improve the legal basis regulating the activities of border services, as well as secondary legislation regulating various border regimes;
Ž To eliminate waiting lines on the western border crossings of Ukraine;
Ž To restrict such illegal activities on the border as trafficking in people, drugs, illegal migration and smuggling;
Having resolved these problems, it is expected:
Ž To considerably decrease the waiting time for travellers and carriers at the busiest border posts;
Ž To simplify and make more effective border control and customs procedures;
Ž To improve co-operation with corresponding services of neighbouring countries;
Ž To reduce illegal migration, smuggling of stolen motorcars, as well as drugs and goods, forgery of documents.

The EU Action Plan is of paramount importance to the co-operation between the countries in Ukraine in the sphere of JHA. Is is a document in which detailed strategic co-operation objectives, challenges, legal regulation, aspirations and the implementation measures are laid down. It provides for the creation of JHA group, which would be made of JHA attaché, officials carrying out co-operation and employees of consular institutions.

The Action Plan provides for the following in the sphere of migration and granting asylum:
Ž To help approximate the legal basis of Ukraine on granting asylum and refugees to the EU legal norms and standards, to help implement the UN Conventions and Protocols on the status of refugees and the right to ask for asylum;
Ž To encourage a non-discriminatory policy in economy, social and cultural life, to develop measures against racism and xenophobia;
Ž To support effective management of the migration flow and provide consultations, financial assistance, as well as experts’ help in creating the Migration Service of Ukraine and encouraging its activities;
Ž To assess the level of illegal migration through Ukraine, to control its flows and help Ukraine become engaged in the activities of prevention of early illegal migration;
Ž To encourage co-operation by sending back persons who arrived illegally, persons without citizenship and citizens of third countries with the perspective of concluding the Readmission Agreement between Ukraine and EU in the future.

In the sphere of border visas the following has been provided for:
Ž To create effective and universal border protection system covering the entire border of Ukraine and analyse the possibility of including the State Border Protection Agency into the system of prevention of early illegal migration;
Ž To support Ukraine in implementing the part of the Action Plan concerning the creation of the state border and border zone regimes, as well as the development of the activities of the State Border Protection Agency by 2005;
Ž To support Ukraine's attempts to reform border protection forces seeking to create the institution of supervising compliance with the law, which is responsible for ensuring order on the border;
Ž To provide Ukraine with consultations, financial and any other assistance in creating the State Border Protection Agency, informing about its activities and improving qualifications of the staff (by providing information about foreign experience, organising practical training in the agencies of EU countries working in the sphere of migration);
Ž To intensify cross-border co-operation between Ukraine and EU, candidate countries and third countries;
Ž To continue the dialogue on the issue of visas;
Ž To continue the dialogue about prevention of illegal migration to EU and Ukraine;
Ž To analyse the possibility to support Ukraine's attempts in issuing safe travel documents in compliance with the international standards and blocking the way to their forgery.

In the sphere of prevention of organised crime the following has been provided for:
Ž To ratify and implement many international treaties and conventions which are of paramount importance in fighting against organised crime and corruption and ensuring the human rights;
Ž To support Ukraine in fighting against money laundering by establishing the Financial Secret Service whose activity should comply with the Convention of the Council of Europe, FATF (Financial Action Task Force) recommendations and Egmont group standards.
Ž To help Ukraine fight against smuggling of prohibited preparations and smuggling of any other kind;
Ž To provide assistance in blocking the way to trafficking in people, transport of illegal migrants, and developing measures intended for helping the victims of such activity.

In the sphere of fight against terrorism, it is planned to encourage Ukraine to join the relevant international instruments, to strengthen bilateral co-operation and prevention of terrorism. The Action Plan specifies that in the sphere of legal co-operation, the legal basis of such co-operation, will be strengthened, those international treaties will be signed, ratified and implemented which will facilitate the provision of bilateral assistance, giving back the people and help ensure protection of victims. In the sphere of the implementation of law, it is planned to exchange technical, operative and strategic information between the institutions of the EU Member States and Ukraine, to establish contact persons at the operational level and train them according to the EU standards. As it has already been mentioned, supervision of the implementation of the Action Plan is carried out by a relevant sub-committee, which meets at least once per year. Besides, it is planned that the European Commission, together with the representatives of the EU Member States, will meet regularly with corresponding Ukrainian officials and consult them, as well as submit proposals to them about the implementation of the Action Plan. It is believed that the representation of Ukraine at EU will play an important role in these meetings, and the Parliament, the mass media will control the process of the implementation of the Action Plan. It has been planned that Ukraine's efforts will be supported by the funds of TACIS program, and the Council of the European Union will, not later than by 2005, review the implementation of the Action Plan and decide on any corrections necessary.

2.4. Ukraine's Aspiration to Become a EU Member: Protection of Ethnic Minorities

In Ukraine ethnic minorities constitute about 2.2% of the population of the country (the census of 2001). The most abundant ethnic minority – the Russians – accounts for 17.3% of the total population. They reside rather compactly in the eastern and southern regions of Ukraine. In the Autonomous Republic of Crimea and in Sevastopol the Russians constitute an absolute majority. The largest number of the Russians reside in six eastern regions: Donetsk, Dnipropetrovsk, Luhansk, Zhitomir, Kharkiv and Sumai. A large part of Ukraine's heavy industry is located in these regions. The second largest group is the Belarussians (they constitute about 275.8 thousand, which accounts for 0.6% of the total population). They live mainly in the Donetsk Basin,
Rivno, Dniepropetrovsk and Kharkiv. A third ethnic group by size is the Moldavians (258.6 thousand, which accounts for 0.5% of the total population). They live in southern regions (Cherivtsai, Odesa, Kirovohrad, Mykolajevo); the Romanians concentrate mainly in Trans-Carpathian and Bukovina (151.0 thousand, or 0.3% of the total population), and the Hungarians (156.6 thousand, or 0.3% of the total population) live in Trans-Carpathian. The Poles (144.1 thousand, or 0.3% of the total population) live mainly in the western regions of Ukraine, Zhitomir, Lviv, Ternopil and Volhynia. The ethnic community of the Bulgarians (204.6 – 0.4%) resides in Odesa and Zaporozhe regions. The Crimean Tatars live compactly in the Crimean Autonomous Republic (about 248.2 thousand, or 0.5%). There is also an abundant Jewish community in Ukraine (103.6 thousand people).

In essence, an official legal basis is created in Ukraine and the institutional fundamentals characteristic of a democratic society regulating the relations of the state and ethnic minorities exist in the country. The Constitution of Ukraine (adopted in 1996) contains the provision that ensures administrative, cultural, linguistic and religious freedoms to ethnic minorities. In those regions where ethnic minorities live compactly, their language may be used in state institutions alongside the official state Ukrainian language.

In November 1991, the Verhovnaja Rada of Ukraine adopted the Nations declaration, in which the principles of the ethnic policy were formulated. The Declaration states that the Ukrainian State guarantees equal political, social, economic and cultural rights to all ethnic groups. Further developing the state policy with respect to ethnic minorities, the Law on Ethnic Minorities was adopted in Ukraine in 1992, and in 1995 Ukraine signed the Framework Convention on Ethnic Minorities (EU Copenhagen criteria provides for signing such a convention). The Verhovnaja Rada ratified the Convention in December 1997, and in May 1998, the Convention entered into force.

The State Committee on Nations and Migration co-ordinate the policy of ethnic minorities at the national level. The basic aim of the Committee is to prepare and implement the state policy with respect to ethnic minorities. The Committee has its representatives in the regions, who directly co-operate with the organisations of ethnic minorities. The Ukrainian Government initiated several long-term programs which regulate international relations (the Ethno-national Processes Regulation Program, programs for persons returning from deportation integration, the development of national identity of ethnic minorities, etc.) Also, a special program has been drawn up for the Crimean Tatars.

Like in many post-communist countries, many problems arise in relation to the implementation of the policy of ethnic minorities in Ukraine. First and foremost, such a situation is determined by limited social-economic resources.
of the country. Financial resources are often insufficient for a consistent implementation of different programs intended for ethnic minorities. Firstly, this may be said about the situation of the Crimean Tartars, whose number has increased considerably since 1990 (in 1990 their number amounted to about 83 thousand Tartars, and in 2001 this figure stood at 248 thousand). Secondly, certain “overdoing” has not been avoided in the policy of ethnic minorities (for example, an attempt to speed up the process of “urbanisation” by introducing the state Ukrainian language), which used to bring about resistance of ethnic minorities. Thirdly, some ethnic minorities (i.e., first and foremost, it is to be said about the Russians residing in the Crimea Autonomous Republic and Sevastopol) found it difficult to adapt to the new political system. (63.4% of the inhabitants of the Crimea spoke against Ukraine’s independence in 1993). It should also be mentioned that the strain between the Crimea Autonomous Republic and Kiev was determined by the bilateral interstate nature of Ukrainian-Russian relations. In 1997, with the interstate relations having been regulated and the Friendship and Co-operation Agreement signed, the political situation in the Crimea Autonomous Republic stabilised.

2.5. Political Economy of the Relations between Ukraine and the EU

2.5.1. Dilemma of the Low Level of Integration and Unfinished Reforms

The main problem of political economy of the relations between Ukraine and EU arises due to different economic regimes of both countries and the nature of deepening the economic relations of third countries with EU. The first problem is related to interference with the functioning of the market economy in Ukraine, and at the same time a failure to satisfy the EU membership criteria, and the second one is related to the adaptation pressure, which is determined by institutionalised economic integration into EU and whose largest part for the nature of the EU relations with third countries (the potential candidate states, in particular) falls to Ukraine.

Thus far economic reforms have not been completed to be carried out in Ukraine, which would create conditions for the market economy to operate. For example, one of the assessments carried out by the IMF states that despite the improving economic growth and other macro-economic indicators, a long-term economic growth is possible only upon having speeded up the structural reforms, privatisation and having reformed the business environment (see Conclusions of 27 February 2003 of the IMF mission for consultations in Ukraine). It is common knowledge that one of the conditions for the EU membership is the impact of the functioning market economy on EU in the country seeking accession. This in turn is closely related to another condition
for the EU membership – the ability to resist competitive pressure on the EU internal market, to be more exact, the ability to compete. Due to known political reasons, the European Commission has not submitted detailed assessments of Ukraine’s compliance with the economic criteria of EU membership yet, similar to annual progress reports whereby progress made by the candidate countries of Central and Eastern Europe in preparing for EU membership is assessed. This does not only make an in-depth assessment of Ukraine’s (non-)compliance with these criteria (this has also been shown in the assessments made by the International Monetary Fund, Freedom House, as well as the assessments made by the Partnership and Co-operation Agreement implementation supervision institutions) but also shows that in the opinion of the EU, Ukraine has been unable to start negotiations over EU membership thus far.

By the way, it should be noted that recently trade between Ukraine and EU has started to grow markedly (in 2001 this growth accounted for 25%). However, thus far EU has covered about 22% of the total foreign trade turnover of Ukraine. Ukraine’s weight in EU foreign trade is very small and fails to reach even half per cent. These figures show that relations between EU and Ukraine are characterised by the asymmetry of trade intensity, which often becomes the asymmetry of a political will to develop interrelations. Moreover, the level of Ukraine’s economic integration into EU is still relatively poor (for example, as compared with the CEE countries). This means that thus far a comparatively small number of Ukrainian enterprises have produced and exported their production following EU standards, and the total unofficial business integration between both countries is poor (hence, the number of further directly interested obstacles to trading with EU countries in Ukraine has not been large thus far). This statement has been confirmed by the structure of Ukraine’s export to EU – raw materials, steel, textiles, chemistry and agricultural products prevail. EU applies the regime of the most favourable status to Ukraine, however, both countries still restrict trade between themselves not only by tariff barriers but also by different non-tariff measures (quotas, licenses, etc.) whose compliance with the WTO principles is doubtful.

One of the dilemmas of the political economy of Ukraine may be defined as a closed circle between the internal determination to carry out reforms and the EU irresolution to provide clear guidelines for the development of economic relations. Failure to define the EU position with respect to Ukraine’s integration, absence of clear internal political determination to liberalise Ukraine’s economy, to privatise the state-owned property and to create conditions for competition, did not create a similar stimulus like that created for the political elite of Lithuania and other accession countries to maintain the direction of reforms.
and present the perspective of EU membership to the public of the country as a potential “reward” for the necessary adaptation costs. Having missed the period of “the unusual policy” at the beginning of the reforms, which provided possibilities for radical solutions (though enthusiasm of the public about the reforms in Ukraine was not so enormous as in the Baltic States), the status quo is becoming ever more useful for the internal interests groups of Ukraine, which are not in the least interested in creating conditions for competition. This aggravates any more radical actions of Ukrainian politicians in creating conditions for market economy.

Purification of the EU position on relations with Ukraine and the definition of clear further perspectives of economic integration relating progress in integration to the specific reforms in Ukraine by creating conditions for the functioning of the market become the main way out of the closed circle in such a situation. It is believed that intent of the European Commission to propose the plan for concrete actions to Ukraine and start to regularly assess its progress show that the EU is inclined to take such an initiative. The assessment of the implementation of the Partnership and Co-operation Agreement announced this year testifies to it. The clear position of the EU on further economic relations with Ukraine should have a positive impact on the economic development of Ukraine and its economic integration into EU.

First, it would provide a good argument to the Ukrainian politicians who speak for the reforms after receiving the electors’ mandate to make necessary decisions in creating conditions for competition and market economy institutions.

Second, it would reduce general political uncertainty, which is often an important factor blocking the way to foreign investments to get into the country’s economy. With the growth of investments (especially if the process of privatisation is strengthened at the same time), the perspectives for the economic development would improve, and this, in turn, could strengthen the support provided to the reformists by the pro-westerly and pro-reformatory oriented social groups.

Third, a clear position of the EU should have a greater positive impact if it were based on clearly defined perspectives of liberalising trade with Ukraine. The possibility of creating free trade between EU and Ukraine is provided for in the Partnership and Co-operation Agreement in effect, however, thus far, due to the position of both countries no concrete measures have been taken to implement it. The EU could, in showing political assistance to the economic reforms in Ukraine, unilaterally decrease obstacles to the import from Ukraine, and after Ukraine stops subsidising (or significantly decreases market distortions inside the country), to implement the free trade zone too. This would both
give an additional impetus to the country's economic development, integration of its business into the EU internal market, and would reduce negative consequences of the future EU development (i.e. distortion of trade, which will appear after Lithuania and Estonia abolish free trade in the industrial products regime with Ukraine). Furthermore, the implementation of the Free Trade Agreement would “lock up” Ukraine's commitments to liberalise foreign economic relations and would decrease the possibilities of Ukraine's interest groups to protect themselves from competition by means of the market distortion measures.

Fourth, a clear position of the EU would help Ukraine's integration into international economic organisations, especially into the World Trade Organisation. Membership in the latter organisation is also closely related to liberalisation of foreign trade and elimination of the market distortions. In its turn, Ukraine's membership in WTO would even more “tie” the hands for possible protectionist political decisions in the future after the Government of Ukraine changes. As can be judged from the bilateral agreement reached on 17 March 2003 between EU and Ukraine, the Union strengthened its support of Ukraine's WTO membership.

Hence, it can be stated that the clarity of EU position on further economic integration with Ukraine, based, first and foremost, on liberalisation of trade between these countries, would be the first important step towards the development of bilateral economic relations. It could even be maintained that clarity in the development of economic relations would be more important than remote promises of EU membership to Ukraine. By the way, it should be noted that the joint assessment of the creation of the free trade space of EU and Ukraine made in 1999 drew attention to the necessity for Ukraine to carry on macro-economic and administration reforms and underlined that Ukraine must make a greater progress in implementing the terms and conditions of the Partnership and Co-operation Agreement and when joining WTO. These conclusions (in stating that Ukraine's membership in WTO is the condition for free trade with EU) were approved at the EU-Ukrainian Summit meeting in 2002.

2.5.2. Problems of Adaptation to the EU Standards

The second problem of political economy of the relations between the EU and Ukraine arises due to the nature of EU policy, which may be defined as a minimal EU adaptation and maximum adaptation of Ukraine to the legal-institutional structure regulating economic relations. The EU has applied such a policy, where the countries, which wished to maintain closer relations with it, had to operate according to the rules of EU game, and EU was not only a
player but also a referee, since its first enlargement in 1973. This method was more developed in EU relations with the CEE countries when the EU criteria were specified to a greater extent, which the accession countries had to satisfy. Besides, during the accession process EU introduced additional conditions and interpreted and assessed the observance of the accession conditions by itself.

In Ukraine's case the need to adapt to EU legal standards and principles (especially to the rules regulating trade and economic activities) creates significant adaptation costs. Besides, this can be said not only about adaptation necessary for Ukraine's membership in EU, the perspective of which is rather vague, but also about the creation of an association or formation of something like the European economic space (if EU sought to postpone Ukraine's accession) between EU and Ukraine. The ability to transpose and practically implement EU legal standards, in other words, the ability to assume commitments relating to EU membership is the condition for the EU membership.

The process of Ukraine's adaptation to the EU regulatory standards would be longer and more complicated than the elimination of obstacles to trade with EU. Though the latter would create a competitive pressure, which might lead to bankruptcy of Ukrainian enterprises and political tension, regulatory and institutional harmonisation is the process consuming more funds and time, the use of which is long-term and not so obvious (except for at least EU membership itself), and costs are short-term and clearly appreciable.

Harmonisation of the Ukrainian legal standards with EU law is planned in the Partnership and Co-operation Agreement currently in effect, however, thus far its progress has been slow (it is difficult to judge about it due to the lack of data). For a smooth harmonisation of law, for implementing often stricter standards of products and industrial processes, a political will which reflects itself in both the resources allocated and the establishment of priorities, and the ability, which depends on the reform of public administration institutions (review of functions, increase of expert examination, responsibility, consolidation of co-ordination and control principles, transparency and autonomy from narrow interests groups) is necessary. True, it is in these spheres that EU can contribute by providing financial and technical assistance, like that provided within the framework of Phare program (by the way, EU has been the largest provider of financial assistance to Ukraine so far; the amount of assistance provided by EU alone, excluding that of the Member States during the past decade amounted to 1.082 billion euros). However, in the case of the CEE countries, the perspective of EU membership was the main incentive for strengthening both the political will and the administrative abilities.

Though Ukraine most probably will not be given such a perspective in the immediate future, the EU could offer such a combination of measures of
economic policy which would consist of two components. The first one would be the already mentioned clear perspective of further economic integration, accentuating liberalisation of trade and closer relations between EU and Ukraine (perhaps at the same time strengthening political co-ordination as well). In other words, the first group of measures could be directed to the strengthening of the motivations of the Ukrainian elite to carry out political reforms. The second group of measures could be directed towards strengthening the abilities of the Ukrainian institutions to carry out reforms and co-ordinate legal-institutional structure with EU.

These measures would also include financial assistance to the reform of public administration institutions and developing of qualification, as well as technical assistance – meetings, transfer of skills and acquaintance with the EU legal structure. Nonetheless, these measures are closely related to the internal economic policy of Ukraine, therefore significant public support and clear will of the political elite are necessary to implement them. It should be noted that it would be most useful for Ukraine to, first and foremost, concentrate its attention and resources on those spheres which are of a horizontal nature (elimination of discriminatory regulatory measures operating as an obstacle to trade) or directly related to entering the EU market (those of products, standards) rather than on environmental and similar standards, which often are more costly and are not directly related to trade.

3. Relations between Ukraine and Lithuania within the Context of the EU Enlargement

For Lithuania it is very important that Ukraine should remain an independent and democratic state. Therefore Lithuania fully approves of EU position that politically stable, democratic and economically prospering Ukraine is a significant pillar of security of the entire Europe. Lithuania supposes that, taking into consideration a repeated wish expressed by Ukraine to become a EU member, the Union should emphasise that its door is open. At the same time, Lithuania takes the position that each future candidate must satisfy the membership criteria. In this sense Ukraine is that country for whom the “New Neighbours” initiative would be very useful.

In its proposals for the implementation of the European Commission Communiqué, Lithuania devotes a great attention to the support of democracy, economic and institutional reforms in Ukraine. It should be noted that Lithuania has wide experience in developing and institutionalising political relations with Ukraine. Lithuania and Ukraine have signed several very important interstate agreements – the Friendship and Co-operation Agreement (entered in force in
1995), the Agreement on Investment Stimulation and Protection (came into force in 1995) and others. Several important interdepartmental agreements have also been signed. Both countries maintain active contacts at the level of the highest state officials: in 2000 a delegation of the Seimas of the Republic of Lithuania headed by the Chairman of the Seimas Vytautas Landsbergis, visited Kiev, in 2001 the Chairman of the Ministerial Committee of the Council of Europe, the Foreign Minister of the Republic of Lithuania A. Valionis visited Ukraine. In March 2002 President of the Republic of Lithuania Valdas Adamkus went on a working visit to Ukraine. In April 2001 President of Ukraine Leonid Kutchma came on a working visit to Lithuania, in March 2002 the Ukrainian Prime Minister A. Kinach, in October 2002 President of Ukraine Leonid Kutchma, in December 2002 the Chairman of the Ukrainian Parliament V. Litvin visited Lithuania.

At present we can speak about certain rudiments in the strategic partnership between Lithuania and Ukraine. In March 2002, during the visit of the President of the Republic Valdas Adamkus in Kiev, the Presidents of both countries agreed to take measures which would ensure a regular political dialogue between the countries. The Declaration signed by the Presidents provided for the establishment of the Lithuanian and Ukrainian Presidential Council, the Parliaments and the Government of the countries were offered to establish the Lithuanian and Ukrainian interparliamentary and intergovernmental councils. At present the said institutions are undergoing the process of establishment.

Such development of relations between Lithuania and Ukraine may be called not only as a direct partnership of Lithuania and Ukraine, but also as Lithuania’s attempts to influence Ukraine’s pro-western orientation. In this way successfully making use of its geopolitical condition, strategic relations with Poland and EU membership, Lithuania can potentially become an active figure of international policy on the regional scale. In developing relations with Ukraine, Lithuania is in a very favourable situation. The fact that in its relations with Lithuania Ukraine has no cultural, historical, psychological co-operation “complexes” is also worth mentioning.

The fact of Lithuania’s becoming a EU member is also of importance. The policy pursued by Lithuania, as a EU member, will be co-ordinated with the common EU policy more than before. Within this context Lithuania, as a EU member, will be able to successfully make use of the initiative of the “Wider Europe” seeking to develop its relations with Ukraine. Lithuania together with Poland also claims to become “mediators” between EU and Ukraine, which would strengthen their weight and impact inside EU even more.

Lithuania, like other candidate countries, has wide experience in developing relations with its neighbours in Eastern Europe, therefore EU may expect
Lithuania to actively contribute to Ukraine's euro-integration processes. Lithuania will have to play the role of one of the EU "frontier-guards" because as much as one forth of the eastern EU border will run through Lithuania's border with Russia and Belarus. Within this context, EU strategic principles about the border protection and a fight against illegal migration have become political guidelines for Lithuania. Therefore, having unique experience in negotiations over transit of Russian citizens through the Kaliningrad Region and from it through the territory of Lithuania, as well as stable political and administrative relations in the Region, Lithuania seeks that the future EU border with Ukraine should be reliable, transparent, and at the same time friendly.

Lithuania, being convinced that by strengthening the border alone, it is impossible to efficiently fight against illegal migration, devotes much attention to cross-border co-operation. Contributing to strengthening co-operation between Ukraine and Russia, Lithuania welcomed the agreement recently concluded between Ukraine and Russia on delimitation of the state border, and treats it as a necessary step in creating favourable conditions for Ukraine's integration into EU.

Lithuania contributed to creating the conception of the "Wider Europe" and supports its provision that it is common interest of the EU countries and their partners to ensure that the New EU border should not become an obstacle to trade, social and cultural exchange and regional co-operation. Though free movement of persons is a long-term objective, in the opinion of Lithuania both EU and its neighbours would only benefit if they created a mechanism allowing a free movement of labour force. Lithuania also contributes to seeking for ways and submits proposals about how to regulate a regular movement of border inhabitants through the border so that it would not pose any threat to security. Having wide experience in negotiations over transit to and from Kaliningrad Region, Lithuania proposes how to create an effective mechanism of sending back illegal migrants and to conclude the Readmission Agreement. Lithuania is also prepared to provide consultations and contribute to the actions taken by EU and Ukraine in fighting against terrorism, international organised crime, cheating, environmental violations, as well as to contribute to co-operation in the spheres of law enforcement and law and order.

Following its enlargement, NATO will include practically the whole of Europe. In such a situation, Ukraine will not be able to remain aside. Despite the already mentioned conclusion that Ukraine will not become a member of the Alliance during the middle period, its relations with NATO will be intensively developed (if we assume that Ukraine seeks to become a part of the West). These relations need not be only official and institutionalised. Unofficial bilateral relations will also be of importance. It is there that wide possibilities open to
Lithuania. Similarly as in the case of EU membership, Lithuania, as a member of NATO, may successfully play the role of a “mediator” between the Alliance and Ukraine.

Lithuania (as well as the West) can also successfully make use of its relations with Ukraine seeking to influence the democratic processes in Belarus. Due to its geopolitical condition alone, Ukraine should be vitally interested in maintaining sovereignty of Belarus. Lithuania is also interested in that: it is important that there are no grounds for any more serious conflict between Ukraine and Belarus. Neither historic experience nor the current situation encourages it. It should be noted that Ukraine, despite its difficult financial situation, provides certain economic assistance to Belarus. On the basis of all above-mentioned circumstances, one may make a supposition that an impact on Minsk is possible through Kiev (not only directly from Vilnius). Therefore attempts should be made to seek for possibilities to co-ordinate the policy with Ukraine with respect to Belarus.

Speaking about the further development of Belarus, the success of creating a union between Russia and Belarus will play a decisive role. In the event if Russia incorporates Belarus, a threat of geopolitical destabilisation will arise to the entire region. Therefore, both Lithuania and Ukraine should be interested in the development of Belarus as a sovereign democratic state.

In developing relations between Lithuania and Ukraine, the Russian factor is of paramount importance. Lithuania, supporting Ukraine’s statehood and democratisation of its political system, should not do it at the expense of Lithuanian-Russian relations. In other words, Lithuania’s policy with respect to Ukraine must not lead to a conflict with Russia. This can be successfully avoided because Russia treats the Lithuanian-Ukrainian co-operation more favourably than it treats the Polish-Ukrainian co-operation.

Currently Lithuania, despite a certain geopolitical contact with Ukraine, is in another geopolitical field, and its security is determined by the factors different from those that determine the security of Ukraine. However, these factors may change. If Ukraine intensifies its co-operation with NATO, and Poland further remains an important factor for Ukraine to attract the West, the geopolitical link between Lithuania and Ukraine will become much more pronounced than before.

**Conclusions and Recommendations**

Though recently Ukraine has intensified its foreign policy in the direction of the West and clearly declared its aspiration to become an EU member, its engagement in the implementation of these objectives remains problematic.
Both internal and external circumstances may complicate the perspectives of Ukraine’s EU membership, as well as the process of its preparation for the membership. It should be noted that some of them are of structural nature, hence, overcoming them is an especially complicated process demanding much effort and time.

Internal causes: 1) absence of consensus of the political elite on Ukraine’s EU membership, without which it is impossible to properly prepare for EU membership; 2) absence of unifying identity, ambivalence from the point of view of the country’s foreign orientation, which to a great extent is determined by a historically formed specific ethnic and social-economic structure of the inhabitants of Ukraine.

In 2000 Ukraine announced the main document on the country’s integration into EU – the Programme of Ukraine’s Integration with the EU. In 2002 the Government of the country approved the Action Plan of this Program. Measures provided for in this Plan differ both in their scope and practicability of their implementation. Some measures are of a very general nature, whereas others are quite detailed. However, the key challenge is the implementation of these measures in practice.

External causes: 1) insufficiently active and articulated policy of the EU itself with respect to Ukraine (at least until 1999-2000); 2) Economic and energy dependence of Ukraine on Russia – in manipulating it, Russia may exert influence on Ukraine’s foreign policy priorities.

The EU does not reject the possibility of Ukraine’s membership, though it does not clearly undertake to admit it in the future. Before starting negotiations over EU membership and even before concluding the Association Agreement, in the opinion of Brussels, Kiev must complete carrying out essential political, economic, legal and institutional, as well as administrative reforms, in other words, to go through all the usual procedure of the state seeking EU membership in the relations with EU: the Free Trade Treaty, the Association Agreement, negotiations on membership, the Accession Agreement and its ratification. It is true, the possibility is not rejected that in the case of Ukraine (and perhaps in the case of other Eastern neighbours) somewhat different, slightly modified “Mode of accession” may be selected. For example, instead of two – the Free Trade Treaty and the Association Agreement – one integrated agreement may be signed. On the other hand, this does not change the contents of the aims and process of Ukraine’s integration into EU.

Ukraine and EU: Recommendations for Further Actions

Seeking to speed up Ukraine’s integration into EU, it would be expedient not to limit oneself to the mechanisms and instruments specified in the
Communiqué of the European Commission “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern neighbours” announced on 11 March 2003. Emphasising Ukraine’s importance and exceptionality it is necessary to use additional instruments which are applied to the relations between EU and Ukraine only. Presented below are the examples of such instruments, actions and measures:

1. In further developing EU and Ukraine’s relations, signing of the Free Trade Agreement should become an important step in the economic sphere, and signing of the Association Agreement should be an important step in the political sphere. This agreement may be called and Agreement on “New Neighbourhood” or “Special Relations” and should regulate enforcement of both free trade between EU and Ukraine and the association relations.

2. Institutionalisation of relations between EU and Ukraine could become an important political-symbolic factor in establishing the EU and Ukrainian Council. However, it would be quite problematic to set up such a council in the immediate future due political reasons and the absence of a precedent. Therefore a more realistic alternative would be the establishment of the Ukrainian-Polish-Lithuanian-EU Council (the precedent for such a council already exists – the Council of the Baltic Sea States). The EU would be represented at the level of the European Commission, therefore the establishment of such a four-partite council politically would not be a very sensitive thing to the EU Member States. Two other alternatives are also possible. First, to extend common Lithuania-Ukrainian institutions – the Presidential Council, the Intergovernmental Council, the Interparliamentary Assembly – engaging Polish and EU (EC) representatives in their activities. Second, to render more symbolism to this initiative: to set up a four-partite group. And this group should be given some symbolic name in the sense of public relations. For example, the name of some locality could be used (as it was done in case of Višegrad and Vilnius Ten). Quite seriously such a group might be called Hadziaczko Four. This would be a certain allusion to the project of Hadziaczko Union which was not implemented in the 17th century.

3. With the help of EU, Poland and Lithuania, to draw up a real and effective strategy of Ukraine’s integration into EU, which would specify clear schedules, objectives, aims and costs of Ukraine’s integration into EU.

4. Later, on the basis of this strategy, to create a practically operating Program for Transposition of EU Law and Implementation of the Action Plan of Ukraine. The current program for Ukraine’s integration into EU is ineffective and does not conform to the realities. The new program should provide for specific measures of implementing the set objectives, their executors, deadlines for the implementations, funds and sources of these funds. Actually, this would
correspond with the proposal of the Communiqué of the European Commission of 11 March 2003 to prepare individual action plans of political and economic reforms. However, the essential difference would be in this Program/Action Plan being devised on the basis of the individual strategy of Ukraine's integration into EU rather than on one of several action plans of political and economic reforms.

5. To create a separate mechanism of EU financial assistance to Ukraine. At present EU assistance is provided through the TACIS programme. Seeking to underline Ukraine's importance and exceptionality (thus applying the principle of differentiation declared by EU) a separate, intended for Ukraine alone, program/fund should be established, through which the entire financial assistance of EU to Ukraine should be provided.

6. To create and start implementing the program for informing the Ukrainian public about EU. The main objectives of this program would be as follows: the provision of general information to the public about EU, support in preparing training in the sphere of the communications strategy, the development of relations with the political parties of Ukraine, improvement of administrative abilities, training of civil servants. The experience of the European Committee under the Government of the Republic of Lithuania could be made use of within this context.

7. EU should apply to the citizens of Ukraine the same or more favourable (however, by no means stricter) criteria for obtaining visas for their journeys to the EU Member States (the visa regime regulations) as are applied to the citizens of Russia. If EU and Russia, in developing the precedent of Kaliningrad transit, agree to apply more favourable conditions of the visa regime, exactly the same or more favourable conditions must also be applied to the citizens of Ukraine travelling to the EU Member States.

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3 See Ukrainian намерения стать его членом // Форум. – 2002 09 17.
6 For more detailed information about it see http://www.ng.ru/cis/2003-02-26/6_sammit.html
8 See Ibid. – Р. 112.


12 Ibid. - P. 71.


14 Waiting for New Dawn // http:/ www.warsawvoice.pl/old/v658/N ew01.html

15 Lithuania will be Ukraine's advocate in seeking EU membership, says the Head of Lithuania. BNS press release. - 2002 10 29.


18 According to the survey of the population conducted on 26 March 2002, only 10 per cent of the population of Ukraine would like the country to be ruled by the politicians seeking to come closer with the West, whereas 35 per cent of the population think that politicians should develop relations equally with both the West and Russia, and as many as 46 per cent are for rapprochement with Russia - see http://www.ukraine.ru/fom/26_03_2002/table06.html


21 At the elections to the Supreme Council of Ukraine held on 31 March 2002 the electoral block headed by V. Jushchenko “Our Ukraine” received 23.57 percent of votes, Communists received 19.98 per cent the “For United Ukraine” – 11.77 per cent, J. Timoshenko’s block – 7.26 per cent, the Socialist Party – 6.87 per cent and Social Democrats – 6.27 per cent. - Окончательные итоги выборов - 2002 //http://www.ikraine.ru/catalog/elections/itogi-2002.html


23 The nearest presidential elections in Ukraine should take place in 2004, however, Leonid Kutchma, has proposed that the governing of the country should be reformed by making terms of office of the parliament and the President equal, i.e. to elect members of the Supreme Council and the President in the same year and for a five-year term of office.


29 See http://www.delukr.cec.eu.int/en/eu_cooperation/eu-cooperation-chro_en.html

30 See http://www.ukremb.com/business/trade.html


32 Ibid.
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