

# DEPENDENCY AND INTER-DEPENDENCY IN A SHRINKING WORLD: LITHUANIAN EXPERIENCE BETWEEN THE EUROPEAN UNION AND RUSSIA

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## Abstract

The article starts from a short analysis and general presentation of dependency and inter-dependency theoretical basics, which is important for further understanding of the European Union's formation logic, which follows common globalization and dependency trends. Later small chapter presents Lithuanian historical background, which could be valuable for those readers, who are not very familiar with particularly Lithuanian, or at least – with Baltic region formation and historical experience. Finally, three major scenarios of dependence and inter-dependence in cultural, economical and political field are presented.

In this particular case, Lithuanian example presents inter-dependency situation, where Lithuania stands in the middle between the European Union on the one side and Russia on the other. This complicated position is viewed from three, probably the most important positions: dependency in cultural, economical and political fields. So here short provision of an accurate analysis of the issues and controversies regarding globalization are presented.

**Keywords:** *dependency, inter-dependency, globalization, Lithuanian dependency, Lithuanian history, European Union and Lithuania relations, Lithuanian dependency on Russia.*

## Introduction

There is a general and hardly to deny trend that our world may be considered as ever more global in character and orientation. In this aspect, term “globalization” refers to a world in which societies, cultures, politics and economies have come closer together. Such a process also involves enhancing the free movement of goods, services, capital, information and people across national

boundaries. In these conditions, the question logically arises if in our post-modern world, states and boundaries are becoming less-powerful agents and symbols despite contradictory history and relations in the past? And to what extent dependency or inter-dependency theory of the shrinking world coincides with the real world's practice?

These questions are answered in this article from one particular case – Lithuanian experience. Lithuania, even it is a small state, was chosen due to various and different experience – close and long-lasting relations with Russia, which made a major impact on Lithuanian identity formation and due to changed political situation after joining European Union. This case is also a good example of how foreign policy is a much more complex area for small countries than it is for large ones.

Due to this complexity we will be able to overlook dependency and inter-dependency between the European Union – Lithuania – Russia. In this respect Lithuania goes between two world powers – Europe as a whole and Russia. And we may see that theory, which claims that world is becoming one global part, universal, with strong liberal democracies relations and peace, is not working properly in everyday life. For this research, three major, and probably the most important fields were chosen: cultural, economical and political ones.

Structural parts of the article start from short analysis and general presentation of well-known dependency and inter-dependency theoretical basics, which is very important for further understanding the European Union's formation logic, which follows common globalization and dependency trends. Later small chapter presents Lithuanian historical background and finally, after getting familiar with mentioned background, three major scenarios of dependence and inter-dependence in cultural, economical and political field are presented.

### **Dependency and inter-dependency theory**

In order to analyze dependency and inter-dependency theory, firstly “globalization” term should be presented. So what is globalization in general? This question is not easy to answer – there is a lot of confusion about the term, and about the rhetoric of the “new world order” following the end of the Cold War. Hence, globalization may be conceived as a myth, a rhetorical device, a phenomenon, an ideology, a reality or rationality. In both academic and popular discourses globalization has become one of the catchwords of the 1990s (Potter et al., 2004).

In fact, globalization is a short form for a cluster of related changes: economic, ideological, technological, and cultural. Economic changes include the internationalization of production, the greatly increased mobility of capital and of trans-national corporations, and the deepening intensification of economic *interdependence*.

The *economic* manifestations of globalization could include the spatial reorganization of production, the interpenetration of industries across borders, the spread of financial markets, the diffusion of identical consumer goods across distant countries, and massive transfers of population. *Ideological* changes include investment and trade liberalization, deregulation, privatization, and the adoption of political democracy in the institutional realm. *Technological* changes include information and communications technologies that have shrunk the globe and the shift from goods to services. Finally, *cultural* changes involve trends toward harmonization of tastes and standards, a universal world culture that transcends the nation-state (Kacowicz, 1998). All these fields, furthermore, creates the root for inter-dependence between various social groups, which is the most important insight in the article.

So, as it was mentioned previously, globalization may be defined as the intensification of economic, political, social, and cultural relations across borders. Such trend leads to the current situation, where we live in an era of inter-dependence. This vague phrase expresses a poorly understood, but widespread feeling that the very nature of world politics is changing. In respect of economic globalization, distance has become less important to economic activities, and large corporations subcontract to branch plants in far distant regions, effectively operating within “borderless” world.

Thus, the terms “dependency” and “inter-dependency” should be determined as well. Broadly speaking, dependence means a state of being significantly affected by external forces. Inter-dependence means mutual dependence. Inter-dependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries. These often effects result from international transactions – flows of money, goods, people and messages across international boundaries. The effects of transactions on inter-dependence depend on constrains or costs, associated with them. For example, a country that imports all of its oils is likely to be more dependent on a continual flow of petroleum than a country importing furs, jewelry or perfume. So the crucial issues of inter-dependence revolve around the old question – “who gets

what?” (Kelly, 2007). In the paper below the answer has given from Lithuanian example which closely relates with economical dependence on Russian oil and gas.

From the historical perspective, dependency theory originally was the first major Third World challenge to Europe-central academic discourse. It was also limited in respect that restricted its attention almost exclusively to the economic and, to a lesser extent, the political mechanisms of domination and control. But these economic, political and cultural spheres are intimately intertwined. These different spheres have a small degree of autonomy from each other as well, and it is for this reason that change in the cultural sphere, in the Gramscian sense of a “war of position”, is central to an important dimension of change in the economic and political spheres (Tucker, 1999).

The definitions of dependency all indicate that the relations between dominant and dependent states are dynamic because the interactions between the two sets of states tend to not only reinforce but also intensify the unequal patterns. Moreover, dependency is a very deep-seated historical process, rooted in the internationalization of capitalism. Dependency is an ongoing process here (Keohane and Nye, 2005).

After having short look over the dependency and inter-dependency theoretical basics in a contemporary world, next paragraph of the article includes presentation of European Union formation logic due to growing dependence and inter-dependence model.

### **Following history – the European Union creation**

Before becoming a real political objective, the idea of uniting Europe was just a dream in the minds of philosophers and visionaries. Victor Hugo, for example, imagined a peaceful “United States of Europe” inspired by humanistic ideals. The dream was shattered by the terrible wars that ravaged the continent during the first half of the 20th century (Viegnes, 2005).

However, a new kind of hope emerged from the rubble of World War II. People who had resisted totalitarianism during the war were determined to put an end to international hatred and rivalry in Europe and create the conditions for lasting peace. Between 1945 and 1950, a handful of courageous statesmen including Robert Schuman, Konrad Adenauer, Alcide de Gasperi and Winston Churchill set about persuading their peoples to enter a new era. According to them, new structures should be created in Western Europe, based on shared interests and founded upon treaties

guaranteeing the rule of law and equality between all countries.

Robert Schuman (French foreign minister) took up an idea originally conceived by Jean Monnet and, on 9 May 1950, proposed establishing a European Coal and Steel Community (ECSC). In countries which had once fought each other, the production of coal and steel would be pooled under a common High Authority. In a practical but also richly symbolic way, the raw materials of war were being turned into instruments of reconciliation and peace (Vitkus, 2005).

Nowadays it may be often heard that during the years there had been undeniable progress in economic and political integration within the European Union (EU). Borders inside the Single Market have dropped, common standards for producing everything from screws to paper are in place, and citizens of all participating states are now subject to common laws on a variety of issues. Young people are growing up in a world structured not by the national antagonisms of the Cold War, but instead by a supra-national European space.

But on the other side, when it comes to standardizing and centralizing European policy on a variety of issues, people seem to hold tighter their local identities. Instead of adopting a sense of “Europeaness” as a meaningful form of identity and a structure of belonging, the general public seems to regard any such assertions of shared identity as artificial creations of political manoeuvring (Croucher, 2003). Also, due to globalization trend all over the world, the European Union countries, especially those, who introduced the Euro – became super inter-dependent between each other in many fields. The affects of inter-dependence are so wide-spread, that it would be difficult to put them in any statistical trend.

Another important side is that despite inter-dependence, countries still maintain a small level of autonomy which leads to the ongoing competition for the better position in economical or political field. We can clearly see the extent in which national interests confront each other in parliamentary treaties, economic policy and industrial contracts, but also how national boundaries are instantiated in the bodies of ordinary people who make their lives and pursue their work in explicitly European context (Ravenhill, 2008).

Europe in the 21st century still faces safety and security issues. The EU has to take effective action to ensure the safety and security of its members. It has to work constructively with the regions just beyond its borders: the Balkans, North Africa, the Caucasus and the Middle East. It should also protect its military and strategic interests by working with its allies, especially within

NATO, and by developing a genuine common European security and defence policy. So this is another important area, where Europe is inter-dependent, especially on the new-security issues such as terrorism, ecological transformations, various disasters or viruses. There is no doubt that on this kind of problems, single action means only a minor role, so united and powerful action is needed here.

As the EU declares itself, all this inter-dependence and common plans, actions leads to the ideal vision: stands for a view of humanity and a model of society that the great majority of its citizens support, where Europeans cherish their rich heritage of values, which includes a belief in human rights, social solidarity, free enterprise, a fair distribution of economic growth, the right to a protected environment, respect for cultural, linguistic and religious diversity and a harmonious blend of tradition and progress (Zabusky, 2004). One of the main the EU slogan's roots may be found here – “Managing diversity” in inter-dependent European sphere is on the top of importance.

### **Short brief of Lithuanian history and nation formation**

There is no doubt that Lithuania's past is rich and marked by complexity. But probably every country in Europe could claim the same – it would be hard to compare Lithuanian historical situation with, for example, Balkan region situation or visa versus. But for a better understanding of Lithuanian national identity distinguishing features and transformation nowadays, it is necessary to overlook Lithuanian history at least in short extent.

Lithuania for the first time in writing sources was mentioned in 1009. It was divided into local duchies during the 11th to 12th centuries. Later, in the 13th century, to protect themselves against the Livonian and Teutonic knights, they formed a strong, unified state which, by absorbing neighbouring Russian principalities, became one of the largest in medieval Europe by the late 14th and early 15th centuries, the Grand Duchy of Lithuania stretched from the Baltic to the Black seas (Bumblauskas, 2005). This particular period is often described as a glory moment in Lithuania history, and many scientists were looking here in order to find nation's roots, which could be full of honour and glory.

Later, between 1386 and 1569, Lithuania gradually merged with Poland. But in 1795, due to changing political situation, it came under Russian control. However, in the 18th century it was erased from political map at all. During World War I (1914-1918) the German army occupied

Lithuania, but finally at the end of the war, on 16 February 1918 in Vilnius, the Council of Lithuania declared Lithuania an independent state and it was fully reestablished as a democratic state (Bumblauskas, 2005). But, unfortunately, it was only a short lived independence. Later it faced many drawbacks including many deaths in World War II and further catastrophe after being annexed by the Soviet Union. As a result of World War II, Lithuania suffered immense deprivations, with gigantic losses and damage. The nation found itself on the brink of physical annihilation.

Another important date to Lithuania history is 23rd August, 1939 when Germany signed a secret agreement with the Soviet Union, on the division of the spheres of influence, the document known as the secret Hitler-Stalin Pact (Ribbentrop-Molotov Pact) and initially, Lithuania was relegated to the German sphere of influence; however, on Lithuania's refusal to attack Poland as a German ally, it was transferred to the Soviet sphere of influence, in a second secret pact signed in Moscow on the 27th of September the same year.

In the summer of 1944 the Soviets re-occupied Lithuania, and re-established it as a Soviet republic. The Soviet government deported about 350,000 Lithuanians to labour camps in Siberia as punishment for holding anti-communist beliefs or resisting Soviet rule. In 1949 the Communist regime most churches were closed, many priests were deported, and possessing religious images were prosecuted. Additional deportations and a great influx of Russians and Poles into Vilnius were noted in 1956. Subsequently, Lithuania settled into comparative calm, and most nations tacitly accepted its status as a Soviet Republic, although the United States never recognized its incorporation into the Union of Soviet Socialist Republics (USSR) (Anušauskas, 2005).

In the late 1980s, rapid political changes in Eastern Europe and the USSR sparked a resurgence of Lithuanian nationalism. Independence was declared in March 1990, but the USSR used economic, political, and military pressure to keep Lithuania within the union. But at that moment radical political changes were more powerful than the Soviet Union's wish and after Soviet Communism collapsed in August 1991, the central government granted independence to Lithuania, Estonia, and Latvia on September 6.

In 1993 Lithuania became the first of three Baltic states to be free from a Russian military presence. Furthermore, all processes of Soviet collapse and independence movement all over the Europe were going on a very rapid speed. Lithuania, as others Baltic countries, were invited in

various international organizations, thus proving the acceptance them as free and independent states (Lazdauskas, 2003). Finally, Lithuania was invited to join NATO and European Union as the full-rights member and it could be called as the final and biggest goal.

This short overview of Lithuanian history gave at least very simple understanding about particular Lithuanian experience and relations with its neighbours in international arena. Thus, it is easier to understand topic of the article – how a small state locates in international arena in accordance to cultural, economical and political issues, and how specific fears or other social constructs and transformations appears and grows in Lithuanian mentality.

### **Dependency in cultural field and identity formation**

Lithuanian cultural field, in which national identity was creating, is undoubtedly influenced by long lasting Russian aggression and later – tried to re-create after joining European Union. So in this sphere Lithuania is not independent as well – in academic field it is widely accepted that national culture or national identities are creating in accordance with other cultures, so it would be a mistake to talk about independence in national identity formation. The article deals with signs in Lithuania culture and identity, which have been left by Russian influence and how it goes together with Europeanization process and efforts to create common European identity. Another important neighbor – Poland, which formed with Lithuania a common state XVI-XVIII centuries, is not included in the article due to wide topic, which may be developed into the new research. Another important thing is that national identity here is not much as legal, political or practical, as it is a cultural one, with emphasis on experiences and expressions of *belonging*. So in this situation, Lithuania had both impact – from Russia and European Union.

The above mentioned feeling of *belonging* is characterized by a sense of being “at home, in one place, and not in the other”. Such an identity of belonging is created only when an individual experiences a particular set of life course meanings enabling him or her to belong to a group demarcated from other groups. Over time such everyday relationships become the criteria for national identifications, for a sense of nation-ness (Frykman, 2003).

Lithuanian case in this respect is totally different from other European countries, even from other Baltic countries as well. For example, the Central European countries have great experience in ethnic fragmentation, cultural coexistence, national conflicts, different regional, ethnic and national



identities, and the corresponding cultural spaces. That region is extremely complex in various aspects: religion, nations, language and in accordance to this has various types of problems due to minorities, toleration, etc. (Bufon, 2007). Lithuania in this respect is one of the greatest examples of cultural and national homogeneous part in all Europe. Despite many years of Russian aggression and continues efforts of russification (XVI-XVIII centuries – polinization), Lithuania managed to create and preserve national identity and culture.

Here one of the hardest periods in Lithuanian history must be mentioned when Russian czar Nicholas I initiated a new policy: the authorities of the occupation began to russify the country with increased speed, and to transform it into a provincial hinterland. Vilnius University and other institutions of higher education were closed, the influence of the Catholic Church was curbed, all Catholic monasteries were closed and the Russian Orthodox Religion was declared as the state religion. Lithuanians were not permitted to purchase land, erect crosses and new churches. From 1864, the Lithuanian language itself and its Latin alphabet were banned and the so-called *grazdanka*, Lithuanian with the Russian alphabet, was introduced. The cultural life of the country went into a state of paralysis (Randburg, 2009).

Lithuania began to recover only towards the end of the 19th century, the period known as the “spring of nations”. A struggle for national culture and reinstatement of writing spread over the greater part of the country. A unique movement, the “book-bearers” came about through self-education and a concern for survival. By the way, nationalism with its symbols and rituals had similar kinds of features in many European countries in the 19<sup>th</sup> century, making it possible to compare nationalism within countries. In Lithuania the project of the creation of the nation, and of the national identity, was the task of the educated upper class (Randburg, 2009). So at that time few well-educated Lithuanian intellectuals understood the importance of Lithuanian roots and traditions and despite hard and oppressions-based period, were eager to find, create and gave over Lithuanian basics to the future generations. So it can be claimed that Russian aggression was some kind of stimulus who “helped” Lithuanians to unite minds, souls and to build nation’s identity.

Following Lithuanian history further, as it was described above, short independence period after World War I was experienced, but Lithuania got into Russian influence zone once again and later was occupied for 50 years (Anušauskas, 2005). Here must be mentioned historical contradiction – Russia never agreed about occupation fact, and even now claims that Lithuania

asked itself to become a part of Soviet Union at that time. Of course, there is no wonder about such manipulations of the Russian position – it is wide known that Russia is often using this manipulation tactic all over the world.

So despite many years of occupation, communism spread, Soviet efforts to change national identity into the common socialist one, many Lithuanians deportations to Siberia, could not fully clear and destroy Lithuanian roots. National identity question began to arouse general interest, specifically in the 1990s. It was reinforced with certain symbols and rituals. The flag with its yellow, green and red, national holidays and other public occasions created a sense of solidarity, at the same time offering Lithuanians symbolic objects with which to identify.

But the main problem occurred that Lithuanian middle-age generation at that time of regaining independence could not remember independent Lithuania – for them Lithuania, which belonged so many years to Soviet Union, was the only one reality. Of course, many of them were full of dreams and ideal of free Lithuania, which could act freely and independent from Russia. But another thing should be mentioned here – even if in political field Lithuanians were united as never and wished re-establish independence, in cultural or economical field Russia still remained very important actor. It may be confirmed by statistics, that more than 80 percent of Lithuanian nation remembered Russian cartoons, films, events with huge nostalgia – it may also be interpreted as the result of many years implemented propaganda. Even younger generation is able to speak and understand Russian language and mentality nowadays – it is also a mark of Lithuanian nation's past.

However, after regaining independence and later even more intensive – after joining European Union, Lithuania was transforming identity once again, but this time construction was not in relation with “others” – Russia, but in accordance with European identity. Here the logical trend occurs that any national identity is reworked over and over again. National identity, like any cultural identity is a process and as such it may be described, but it is not a category whose content ever corresponds to the label. Culture will no longer be presented as a reified, unified whole, but as a complex of viewpoints, relations and values – as is in European Union (Frykman, 1993).

The main difference from Russian occupation time in the past and forced identity shift towards Slavic region, nowadays the adoption of a supranational identity such as “European” does not mean the displacement of local or national ones. Indeed, in this structural context of European

organization, national identity remained important as a category of belonging significant both to the production of unity and the preservation of differences. In other words, having a national identity is a key component of developing a European identity (Zabusky, 2004).

But this process can not be understood too easily – even if identities may change over time, but in general they are relatively static and slow to change and are always dependent on the existence of some picture of the group’s history and development. In other words, Lithuanians *can* have a desire to become Europeans as soon as possible, but Russian past can not disappear in one night time. Even postmodern fluidity has made identities changeable and mobile, this process definitely needs time. And this approach sees identification as a construct, a process that is never completed (Ollila, 1998). So here we can find common agreement that each community is a complex and shifting fiction. The difficulty is that values are effective only in the event of consensus. It is assumed that modernization and consequent process of urbanization and population movement result in the breakdown of these communities and the erosion of the value systems that characterize them, which cease to be effective in the new context. For example, it is claimed that if people become Europeans, their identities no longer turn around categories of religion, folk, or national defense but around categories of exchange, difference and value. Unlike belonging to the nation, which has a specific cultural content, identification with Europe is an empty sign. Europe has no Spirit, in the Hegelian sense, since, unlike the nation-state, it does not live off the dead (Borneman and Fowler, 1997).

Finally, because Europe can be described as an “empty sign”, it still has possibility to create and form its own values, communities and even – new identities. The EU has an important role to play in supporting and stimulating contacts across borders. Associational life, the voluntary organizations, social movements and ideological organizations together with the municipalities and the regions should be encouraged to serve energy for European cooperation between members of the public. These multiple channels connect societies and can be summarized as interstate, trans-governmental, and transnational relations (Keohane and Nye, 2005).

So in this respect it may be noticed extremely great efforts of European Union to create a common sense and common action not only in economics, but in politics and culture as well. But next question arise if we can universalize a specific rationality and neglect historical and national specificities in real life? There was necessary search for the roots of European-ness in history,

religion, science and culture, but the question what is considered as European at all, is still not answered. And even – to what extent does the concept of Europe constitute a meaningful object if we can not agree even on a shared definition of Europe?

One of the key questions in future European political-geographical developments is thus to find a new way between convergence and divergence tendencies in the social, cultural, economic and political sphere, the other, to work out if the European programme, which could be summarized in terms of “unity in diversity”, is not only practicable, but also exportable on a worldwide scale. Otherwise, nationalism as a pre-eminent European phenomenon may remain (Bufon, 2007). So here it is a danger that speaking of a single, all-constitutive Europe becomes rather meaningless, or worse, encourages a vision of European-ness as a quality that is somehow fixed, bounded, homogenous and pure. Instead, we should recognize the plurality and diversity of the many different Europe that exist and have existed, in any given time or context.

In this particular case, Lithuania belongs to the same cultural sphere as Europe without any doubts. But, as mentioned earlier, Lithuania has never experienced complicated identity or national culture formation as the rest Europe did or does now. For example, countries, which belong to Balkan region, were extremely divided between themselves in religion, language or nation fields and for this reason managed to create multiple identities. Otherwise, Lithuania was always homogenous in religion, language or nation formation stages, so the only “others” were Russians and in some extent – Poles. So after many years of seeking independence from Russia, Lithuania very soon entered European area, but fear about real effects of the process of European integration on national identity and state sovereignty remains. Lithuania, many years being under the Russian dependence, now is very careful about growing dependence towards European Union. Despite slogan “Unity in diversity” Lithuania remains quite unsure about common European identity perspectives.

### **Dependency in economic field**

The global economy has changed in very significant ways during the past several decades, and these changes are rooted in how the global economy is organized and governed. These transformations affect not only the flows of goods and services across national borders, but also the implications of these processes for how countries move up (or down) in the international system.

The development strategies of countries today are affected to an unprecedented degree by how industries are organized: policymakers, managers, workers, social activists, and many other stakeholders need a firm understanding of how the contemporary global economy works if they hope to improve their position in it (Ravenhill, 2008). So it could be stated that we are definitely living in the era of globalization, where global economics is on the top of importance.

Over the past 50 years, the EU has achieved remarkable success in harnessing the increasing interconnections arising from globalization and in achieving economic prosperity and stability on a continental scale. The EU has become one of the world's key economic engines, accounting for about 30% of global GDP and 20% of global trade flows, while the Euro has emerged as a key international currency (Ravenhill, 2008). As a result, many parts of the world are looking to learn from the EU's experience in regional integration.

In order to manage this process of increasing economic and financial inter-dependencies, the European Union maintains economic relations with many countries and institutions in the world. Its ultimate objective is to foster economic prosperity and stability in the EU and, while serving the Union's interests, also in the rest of the world by spreading the values and principles of the Union's economic framework and policy recommendations to other countries by shaping its external economic policies and their implementation (Vitkus, 2002).

So, looking from the present situation it could be interested to find out if Robert Schuman, who took up an idea originally conceived by Jean Monnet and, on 9 May 1950, proposed establishing a European Coal and Steel Community (ECSC), had a belief in such a successful economical model through all Europe. At that time, in countries which had once fought each other, the production of coal and steel were pooled under a common High Authority. In a practical but also richly symbolic way, the raw materials of war were being turned into instruments of reconciliation and peace (Vitkus, 2002).

Indeed, Lithuania at that time was far away from the idea about common and capital-based economy system with other European countries. Instead of this, Soviet Union's era brought Lithuania intensive industrialization and economic integration into the common Soviet Union system, although the level of technology and state concern for environmental, health, and labor issues lagged far behind Western standards.

The disadvantages of a centrally planned economy became evident after the collapse of the

USSR in 1991, when Lithuania began its transition to a market economy. Owing to the availability of inexpensive natural resources, the industrial sector had become excessively energy intensive, inefficient in its utilization of resources, and incapable of manufacturing internationally competitive products. More than 90% of Lithuania's trade was with the rest of the USSR, which supplied Lithuanian industry with raw materials for production and a market for its outputs. The need to sever these trading links and to reduce the inefficient industrial sector led to serious economic difficulties (Grennes, 1994).

The process of privatization and the development of new companies slowly moved Lithuania from a command economy toward a free market. By 1998, the economy had survived the early years of uncertainty and several setbacks, including a banking crisis, and seemed poised for solid growth. However, the collapse of the Russian ruble in August 1998 shocked the economy into negative growth and forced the reorientation of trade from Russia toward the West. But lacking important natural resources, it still remained dependent on imports of fuels and raw materials.

However now, in economic area, Lithuania maintains dual dependence between European Union and Russia. Despite the fact, that Lithuania still remains totally dependant on Russian gas and oil, it also gets huge financial support from European Union's as well. So it seems that Lithuania trusts Europe in economic field and it is a wide spread opinion that Lithuania gain a major security level due to economic relations with Europe (Kavaliauskas, 2003). And, actually, it could be very hard to deny "Old Europe's" financial help for developing various Lithuanian sectors: from the beginning, when Lithuania was seeking a membership in the EU, or later in transforming all economic sector, which was totally dependent on Russian market for years. So it could seem that Lithuania should be grateful to other European states, which provided a major economic support and in this respect gave Lithuania second chance to develop national economic further, towards West.

But there occurs some negative economical aspects as well – Lithuanian income levels still lags behind those of older EU members. Lower wages and high income taxes may have been factors that contributed to the trend of emigration to the wealthiest EU countries after Lithuania joined the European Union in 2004. Another fact, which was widely manipulated in all political debates – that initial Euro adoption date of January 1, 2007 was postponed due to the high inflation rate of 2006. And this all was dependent only on European position and interpretation.

Indeed, economic policy is primarily a national responsibility, even if the Treaty declares that it should be regarded “*as a matter of common concern*” and coordinated within the Council. The Europe was also accused of manipulating economical support to Lithuania in order to ensure political loyalty with “Old Europe” states – primary with France and Germany. Dominant states may try to secure much the same result by using overall economic power to affect results on other issues. If only economic objectives are at stake, they may succeed: money, after all, is fungible. But the problem is that economic objectives have political implications, and economic linkage by the strong is limited by domestic, transnational and trans-governmental actors who resist having their interest trade off (Kavaliauskas, 2003).

But positive aspects can not be denied as well – EU as envisioned by the business world is a single, free and open market, so enlargement has opened up new markets and the Baltic region may develop into one of Europe’s most dynamic and creative regions. In addition to enlargement, employment and the environment will be the other areas of priority. The government has highlighted the goal set of creating the most dynamic and competitive knowledge-based economy in the world with sustainable economic growth, more and better jobs and greater social cohesion (Ravenhill, 2008). The government also underlines the considerable added value represented by EU cooperation in the context of safeguarding the environment and promoting sustainable development.

Of course, even nowadays, Russia has a special place in Lithuanian economical system. As mentioned earlier, Lithuania remains hardly dependant on raw-materials, which are imported from Russia, especially gas and oil. Other business ties also has strengthened – among more than 160 foreign trade partners of Lithuania, Russia ranked first in terms of trade turnover, imports and exports during the first quarter of year 2008. This situation raises many debates within Lithuanian government. For example, the opposition leader also took the opportunity to blast his political opponents over their inability to “defend [the country] against Russia’s influence”. This criticism was forwarded at former President and Prime Minister Algirdas Brazauskas, Labor Party head Viktor Upaskich and Order and Justice Party head Rolandas Paksas. In one particular case – former president and the leader of the Order and Justice party Rolandas Paksas, who became the only president who has been ousted from the leading state position in Lithuania by impeachment, is a real fact of state’s shame. And, by the way, this fact of “selling” Lithuanian national interests to

Russia was proved by the court (The Baltic Times, 2008). So it is just one example of how economics and politics are related and inter-dependent in Lithuanian case.

Nowadays Lithuania is experiencing another difficult situation following the decommissioning of Ignalina Nuclear Power Plant. Of course, there is no doubt that due to EU documents Lithuania should close Ignalina's Nuclear Power Plant despite fact, that country is not ready for this action. Furthermore, changing geopolitical situation requires assess challenges to energy security or supply diversification and expressed hope that an appropriate solution would be found in cooperation with EU members and institutions. And this cooperation should ensure that no space for Russian manipulation due to energetic field is left in Lithuania.

Finally, Lithuania also fears that Russia would impose sanctions on the country for its strong response to the Georgian crisis. Being a large, ambitious and aggressive country, Russia could use all possible measures of political and economic pressure considering Lithuania's dependence on Russia in terms of energy resources and raw materials, Lithuanians would probably face the whole set of their measures. Public opinion also stresses that the EU-Russia relations prospects must be seriously discussed on the basis of principles of the international law and European values. Lithuania here also stands as a mediator for European – Russian dialogue and this is the reason why mutual interdependence remains.

### **Dependency in political field**

Foreign policy and political field in general – this applies particularly to countries with small populations – should be unified, principled and consistent. Foreign policy is a much more complex area for small countries than it is for large ones. Large, strong countries with ample populations are much more resistant than small countries, especially those small countries with larger neighbors (Lithuanian – Russian relations, as an example). The leading foreign policy decision-makers of large, strong countries behave as very important personalities – their decisions have major impact on other countries, but considerably less on their own. If anything happens to harm their countries, they are able to call on other recourses, military included, to assist them. The position enjoyed by politicians that work in the sphere of foreign policy in a small country is completely different. It is clear that any politician from a small country is likely to be very weak in comparison with his/her counterpart from a large country or from a great power (Kunic, 2008). In



the article investigation how Lithuania bends to break this trend is presented.

So it may be claimed that relations with neighbors are of primary importance of small country. This requires the greatest attention, and politics as a whole must be directed towards ensuring good relations with them. When ones consider relations with a neighboring country, one has to realize that such relations are not created merely through direct bilateral activities, but that a decisive role is played by one's relations with that country's friends and enemies. So the question of whom we have good relations with, who our solid strategic allies are, is therefore extremely important. This is not the "balance of power" policy practised by strong countries. This is the pragmatic, flexible policy of small countries, obliged to secure their long-term survival (Kunic, 2008).

Here it could be interesting to give an example from practical field – real life. Particular connections between three states are mentioned further. For example, Lithuania, Belarus and Ukraine all began from more or less the same starting point. After the Soviet Union collapsed, all post-Soviet states were quite dependent economically on Russia. Despite that, all three were relatively advanced economically compared to other nations in the former Soviet Union, so they seemed the best prepared to make an economic transition to independent statehood (Drwecki, 2008). For nationalists in all three countries, Russia was the historical "Other", the nation against which they had to defend themselves. All considered Russia a threat, not so much because they feared a military invasion over their borders, but rather because they dreaded any repercussions of economic dependence on Russia. This is again contradicted by the actions of Lithuania: Lithuania looked westward even though it was still dependent on Russia for 94 percent of its oil and 100 percent of its gas and at that time was the only from these countries, which was brave enough to choose this kind of future direction (Kavaliauskas, 2003).

So it is obvious that nowadays, in a shrinking or global world, it is very hard to divide boundaries between economics and politics. Any events in one field suddenly could affect another field and cause unpredictable results. Economical and political fields are extremely contradictory in Lithuanian relations with European Union and Russia. For example, despite economical and financial support from European Union, Lithuania often contradicts dominant EU political position and this trend brings many various discussions not only between EU countries, but within Lithuanian society as well.

Another challenge to European order was when Lithuania has rejected a proposed compromise which would have paved the way for talks on an EU-Russia partnership deal to begin. Lithuania, a former Soviet republic, complained that not all of its concerns had been addressed by the EU presidency, currently held by Slovenia. Lithuania in this respect presented strong position and demands, which centre on safeguards over a pipeline which transports oil from Russia through Ukraine and Belarus to Europe. Lithuania has also expressed concern about Russian policy towards Georgia and Moldova (Mite, 2008).

This situation also proves that foreign affairs agendas – that is, sets of issues relevant to foreign policy with which governments are concerned – have become larger and more diverse. No longer can all issues be subordinated to military security as Secretary of State Kissinger correctly described the situation in 1975: “Progress in dealing with the traditional agenda is no longer enough. A new and unprecedented kind of issue has emerged. The problems of energy, recourses, environment, population, the usage of space and the seas now rank with questions of military security, ideology and territorial rivalry which have traditionally made up the diplomatic agenda” (Keohane and Nye, 2005).

So it may be noticed how characteristic the overlap of domestic and foreign policy is among developed pluralist countries. Agendas may be influenced strongly by the considerations of the overall balance of power. Political scientists have traditionally emphasized the role of military force in international politics. Force dominates other means of power: if there is no constraints on one’s choice of instruments, the state with superior military force may prevail. If the security dilemma for all states were extremely acute, military force, supported by economic and other resources, would clearly be the dominant source of power. Survival is the primary goal of all states, and in the worst situations, force is ultimately necessary to guarantee survival. Thus military force is always a central component of national power – and Russia proved it once again with Georgian case. Such military power may still be used politically. Each superpower continues to use the threat of force to deter attacks by the other superpower on itself or its allies; its deterrence ability thus serves an indirect, protective role, which it may be used in bargaining on other issues with its allies. In this way a state may be used that force positively – to gain political influence (Keohane and Nye, 2005).

So Lithuania, small and homogenous Baltic country, still needs to find its own place in a

contemporary world, which is shrinking in terms of culture, economy and politics. This wide net of dependence and inter-dependence relations causes new challenges for all countries and other social groups in every day life, so it is important to make a right decision about future trends and perspectives. And this issue is even more important for small states, as Lithuania is.

### **Conclusions**

The article briefly touched globalization process, which created extremely intensive dependency and inter-dependency relations and connections all over the world. In this case, European Union could be one of such examples when interaction and integration among the people, companies, and governments of different nations created a wide net not only between its members, but also with other parts of the world. And there is no doubt that this process has effects on various types of fields: on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

In this particular article, Lithuanian example presents inter-dependency situation, where Lithuania stands in the middle between European Union on one side and Russia on the other. This complicated position is viewed from three, probably the most important positions: dependency in cultural, economical and political fields. So here short provision of an accurate analysis of the issues and controversies regarding globalization is presented.

From the cultural field, controversial Lithuanian situation is portrayed: despite a fact, that Lithuania was creating its national identity in relation with historical “others”, who were Russians (and in some extent – Poles) – the nation against which Lithuanians had to defend themselves, now Lithuania belongs to the same cultural sphere as Europe without any doubts. After gaining independence and especially – after joining European Union, Lithuania was pushed to transform its national identity once again towards Western world or, in other words – towards common European identity formation. However, due to Lithuanian homogenous status in religion, language and nation, and because of the extremely vital fear to disappear as a small nation – Lithuania now is very suspicious about growing dependence towards European Union. In short, despite slogan “Unity in diversity” Lithuania remains quite unsure about common European identity perspectives.

In the economical field, Lithuania also stands in the middle between European Union and Russia. Due to globalization and common trends in the world system, the global economy has

changed in very significant ways during the past several decades. Through this time, over the past 50 years, the European Union has achieved remarkable success in harnessing the increasing interconnections and in achieving economic prosperity and stability on a continental scale. But even in this context, Lithuania maintains dual inter-dependence between European Union and Russia: despite the fact, that Lithuania still remains totally dependent on Russian gas and oil, it gets huge financial support from European Union as well. So it seems that Lithuania trusts Europe in economic field, but the problem appears when economic objectives are consolidated in order to have further political implications.

Finally, in the political field, Lithuania has chosen the most controversial position. As a member of the European Union, which got a major financial and political support to develop a country, Lithuania used to present quite strong position and demands to Europe when question comes to Russian issues. Lithuania was the first country in European Union, who at the same time being very dependent on Russian oil and gas, was not scared to block European-Russian partnership dialogue due to aggressive Russian policy towards Georgia.

So Lithuania, small and homogenous Baltic country, still needs to find its own place in a contemporary world, which is shrinking in terms of culture, economy and politics. This wide net of dependence and inter-dependence relations causes new challenges for all countries and other social groups in every day life, so it is important to make a right decision about future trends and perspectives. And this issue is even more important for small states, as it is for Lithuania. Unfortunately, as current world's political situation showed, it is very difficult to make static conclusions, so only in the near future we could reasonable valuate present events and choices which were made.

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