

WHAT IS GERMANY FOR LITHUANIA?

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Germany and Lithuania. No other nation could claim, and prove it in writing, that it has known Lithuania for almost a thousand years. In a way, Lithuania, the name of Lithuania, originates namely from the relationship between our two nations – German and Lithuanian. Let's recall the Quedlinburg Annals or Chronicles (*Annales Quedlinburgenses*), the journey of a monk, St. Bruno (Boniface) of Querfurt, which ended so tragically for him in 1008. It terminated in Lithuania, and already a year later his plight was recorded by the Quedlinburg chronicler, and that was the first time when written evidence was presented to the world about the existence of Lithuania.

Germany was again the first in 1918, when on 23 March it *de jure* recognised the independent Republic of Lithuania. The forthcoming commemoration of the millennium anniversary of the first mention of Lithuania's name – and of the Lithuanian-German relationship as well – offers a worthy occasion and stimulus to take a closer look at the one hundredth fraction of the relationship between our two countries. One hundredth, certainly, in respect of time. The decade which started on 23 August 1991, when the Federal Republic of Germany recognised the restored independent Lithuania and on the 28th of the same August, when diplomatic relations were established between our countries. This millennium context – of wars and friendship, hostility and good will – without any doubt renders this review of mutual relations between our countries somehow intricate: we have known each other for so long, and for so long we also were immediate neighbours, we are not indifferent to each other, thus this millennium experience inevitably creates an emotional background even for a detached academic contemplation, as well as, quite probably, for a cold reasoning of a politician. This time, I am writing neither as an academician nor a politician, but simply as a concerned and involved observer – a close observer too – of the relations between our countries, while the article itself ought to be perceived as an invitation and encouragement to others – researchers, politicians, students and diplomats – to take a closer look into these relations or, if you want, to award them the attention they deserve.

Thus, what is Germany-Lithuania? I will happily leave it for the German Ambassador Dr. D. von Berg to reflect on what for Germany is Lithuania. Partner? Advocate? Teacher? Rival? All in one, certainly. Of most importance is, which of these aspects prevail in the relationship.

So, what is Germany for Lithuania in the middle of 2001? What can we be happy about, and what still needs plenty of effort before we could say that we are contented? Let's put it more precisely. What is the role of Germany in the context of the Lithuanian strategic foreign policy aspirations and assignments, and how successfully do we take advantage of this role? In other words, what is the role of Germany in the context of Lithuania's integration into the European Union and North Atlantic Treaty Organisation? What is Germany in the aspect of the realisation of the Lithuanian economic interests? Let's start namely with the latter. And it is not accidental: Germany is the major trading partner of our country. In 2000, for example, the Lithuanian export to Germany amounted to 1.172 billion German marks. Lithuania exports more only to our neighbour Latvia. In the same year, the value of import from Germany was 1.790 billion German marks. We import more only from Russia. Besides, the consequences of the economic crisis in the latter also had some favourable aspects for Lithuania: it served as a strong, or to be more precise, compelling impulse to even more expeditiously and extensively orient our economy Westwards and, first of all, towards Germany in particular. Even though in 1999, the development of Lithuanian-German trade was notably more languid in comparison, say, with 1998, nevertheless, the dynamics of the year 2000 in this respect was especially positive: the trade turnover in 2000 increased by nineteen percent and comprised nearly 3 billion marks. And the rise is still continuing. This growth is even more impressive if viewed in the perspective of trade relations between our countries within a longer period of time. Thus, in the period between 1993 and 2000, the Lithuanian-German trade turnover surged by 360 percent.

In Lithuania there successfully work such major and world-famous German companies as Eternit AG, Schindler Lift AG, Düssman AG, Berlin Chemie AG and Siemens AG, operate two German banks "Norddeutsche Landesbank" and "Vereins- und Westbank". According to the statistics from the beginning of the year, there were 1159 firms with German capital registered in Lithuania, where 792 of them are joint ventures. In truth, the majority of them attributable to the category of small or medium-sized enterprises. And these numbers are increasing literally every day.

However, the increase is not as speedy and extensive as we would wish, and undoubtedly not as extensive as it would befit one of the three dominant economic powers of the world and would conform to the potential of Germany as the major European economic power. Let's just have a look. At present, German firms and private persons have already invested in Lithuania about 430 million German marks. Obviously, in this event it would be necessary to say **only** 430 million, even though, say, in the period between 1996 and 2000, the German investments doubled. Nevertheless, the greatest economic power in Europe is significantly surpassed in this respect by Denmark, Sweden and the United States of America. The comparative weight of German investments comprises 7.5 percent, while that of Sweden and Denmark – considerably smaller economies – taken together exceeds 35 percent. Why is it so? It cannot be said that there exist some formal obstacles to hinder a dynamic flow of foreign capital, German capital included, into Lithuania. On the contrary, within this context, such important bilateral agreements were signed as those for the promotion and reciprocal protection of investments, for the avoidance of double taxation with respect to taxes on income and on capital, as well smaller agreements – which nonetheless could be termed as of considerable importance for economic ties – on the transportation of passengers and cargoes by road transport, on financial cooperation, and, finally, on the abolition of visa requirements. In addition to that, development of German business in Lithuania is promoted by the Federal Government itself, which has created in this respect a special framework of assistance tools, where the most prominent are two of them: guarantees on capital investment (guarantees have already been provided for 30 million German marks, and decision, hopefully favourable, is pending in respect of four more applications); the German Society for Investment and Development (Deutsche Investitions und Entwicklungsgesellschaft) has already decided to finance 44 million-mark projects.

Maybe then it's more likely that we ourselves have not yet learned how to more actively channel the flow of investments into our direction? Quite probable, still it would be far more useful here if the partners presented their considerations in this respect. It should be added, though, that the forthcoming privatisation of the major power enterprises and the continuing privatisation of banks will possibly enable to improve this, frankly speaking, modest position of Germany in the investment context. And the approaching Lithuanian membership in the European Union is likely

to make Lithuania far more attractive for the German business and, in the first place, for investors.

It is necessary to mention here another aspect of the German involvement in Lithuania, not only in the economic field but within an even more extensive framework, and probably the one of still greater significance, namely in the area of consultancy and expertise assistance within the TRANSFORM programme financed by the Federal Government. It is, of course, money as well: in the period between 1993 and 2000, the Federal Government allocated 55 million German marks within the framework of this programme in Lithuania. But it is also far more than just money: knowledge and expertise to advance the establishment of a more efficient administration system in the country, thus laying the foundations and creating conditions for earning money in the future. It could be agreeable if the considerable cuts in the funding of the programme this year might be interpreted as hinting that the Federal Government already views Lithuania as successfully doing quite well itself, nevertheless, it is at the same time regrettable, as we still have much to learn and will need to for a long time yet to come. One of the areas where such training and learning is especially intensive is the military cooperation between our countries. The Federal Ministry of Defense renders considerable assistance in material aspect as well: we have received the so-called surplus ammunition, which nevertheless is of good quality. For example, the Lithuanian contribution to the Baltic Naval Squadron is two minesweepers, both provided by Germany. There should also be mentioned armoured cars, machine-guns, light planes, air defence systems, etc. Nevertheless, I still think that most important in this area is the opportunity to study at the centres of military training in Germany provided by the Federal Government to at least 30 Lithuanians every year, likewise the work of the experts themselves in Lithuania rendering assistance in establishing the armed forces and the defence system of our country, as well as the favourable attitude of Germany towards the aspirations of Lithuania to fully join in the activity of the North-East Corps: participation namely in multinational unions of this kind provide for the development of the culture of cooperation, which, I believe, is essential in the Lithuanian advance towards NATO.

And last but not least is Ignalina. The German contribution to the international fund for the closure and decommissioning of the Ignalina Nuclear Power Plant is 7 million marks. At present, when the Government of Germany and energy companies that exploit nuclear power plants in that country have agreed in principle to do away

with those nuclear power plants, the prospects for our cooperation in this area could be further expanded. Germans in Ignalina will now be able to simultaneously instruct and learn themselves how to decommission a power plant. And one more issue ought to be mentioned in discussing the economic links between the countries: the federal structure of Germany. It could be said that only five Lands of the Federal Republic of Germany – North Rhine-Westphalia, Lower Saxony, Mecklenburg- West Pomerania, Schleswig-Holstein and Thuringia – maintain a good relationship. The remaining eleven federal entities, as it is common to call them, present as yet undiscovered, or at least extremely poorly utilized, potential. It is a reproach addressed to both sides.

Politics. It is perfectly obvious that Germany is a country of extreme importance for Lithuania. It has been so during the last millennium, and there is nothing to suggest that anything might change there within a foreseeable future. The importance we attribute to Germany is best proved by the travel destinations of our top officials. It is an illuminating, though far from formalistic criterion. How many countries are there that are visited by the President of the country several times within the same year? Just several, and the German Federal Republic is invariably one of those. Not to mention the visits of the Prime Minister and the Foreign Minister. While the multifaceted consultations of officials of lower rank with their German colleagues have already turned into an everyday occurrence.

There are no particular hindrances to obstruct the political relations between the countries in their direct sense. With the countries having been so closely and for so long related, there certainly sometimes emerge specifically more sensitive issues. The most salient of such issues now is the payment of compensations to those Lithuanian citizens who had the misfortune to be deported to work for the Third Reich. Nevertheless, with both parties exhibiting good will, a solution may always be found.

At the present time, Germany is significant for us in our pursuit of the country's two strategic goals – membership in the EU and NATO. The word of Germany, as one of the key members of both organisations, is decisive, maybe not absolutely, though at least to a very great extent. What kind of Germany do we see from the angle of this aspired integration? In respect of our expectations, or if you want, requests, the German attitudes towards the enlargement of the European Union and NATO are quite different. Now, in the aftermath of Nice and the latest

Gothenburg Summits we cannot complain about any aspects of the German attitude towards the expansion of the European Union in general, or the Lithuanian accession in particular. Germany states that it does not make any difference between the countries which received the invitation to start accession negotiation in Luxembourg and those invited in Helsinki. On the other hand, it could hardly make any distinction anyway, when Lithuania and Slovakia, both of which started the negotiations later, have already gained on Poland and overtaken it – thus only metaphorically a first group candidate. Chancellor Schroder has also put his signature on the Nice Summit Declaration, which expresses belief that candidates from the current EU aspirant countries will be able to participate in the 2004 elections to the European Parliament. Thus, again there is a date which fully conforms to the agenda that Lithuanian has established for itself. Nevertheless, there are some aspects in the position of Germany in respect of the EU expansion that raise some doubts on our part too. Namely, “to introduce a certain transitional period with limiting free movement of workers for seven years starting with the accession of the first candidate countries” or “during the transitional period, we should also limit the movement of services in certain spheres, in the field of construction and crafts, in particular”. I have quoted the Federal Chancellor’s words pronounced by him at the very end of the year 2000. We are certainly well aware of the problem related with excessive workforce in Germany, though we find such misgivings (as well as the resulting protectionist programmes of corresponding scope and content) as greatly exaggerated. At least as far as this problem could be related with the alleged invasion of workforce from Lithuania to Germany. Another issue, we cannot help worrying about, is the repeatedly emphasized German attitude that membership in the European Union, especially for Lithuania, as well as for the other two Baltic countries, is in itself a mighty and even somehow adequate guarantee of security. Sometimes it is also added – economic security, while in other cases this is omitted. “The door to NATO has been opened. Everything else will depend not only upon the wish of a country, but likewise on its suitability to accede, as well as whether this would enhance security”. These are the words not long ago said by the Federal Chancellor. Regretfully, it is not clear what is meant by “whether this would enhance security”, though it is hardly difficult to discern a Russian context. Thus, we find the attitude of Germany towards the Lithuanian (as well as Latvian and Estonian) membership in the Alliance quite ambiguous: yes, the door to NATO is ajar, nevertheless the invitation to enter will be issued in some time, and it is far from clear how

long it will be necessary to wait for this “some time”... But why not right now? No convincing answer, which could be called, say, moral, is given because there can hardly be any. Maybe once again we ought to be punished that we were occupied sixty years ago in accordance with the implementation of the Ribbentrop-Molotov pact?!

Thus, what are these Lithuanian-German relations like? Within the context of the millennium relationship, the relations between our two countries during the last decade have been exemplary – they have never been better. Though, there is no doubt either that such relations ought also to be given greater scope, extent and content. It is necessary to have more of Germany in Lithuania and more of Lithuania in Germany. How can this be achieved? I believe that both this article and this, hopefully, evolving discussion will spur a substantial debate on this issue.

Translated by *Violeta Stankūnienė*