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**Markets and meanings**

## Nationalism, land, and property in Lithuania\*

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Land is one of the most important intersections of social purpose and economic choice. Nationalist movements have invariably ascribed important meanings to patterns of land ownership, as well as the uses to which land is put. As Colin Williams and Anthony Smith observe, “Whatever else it may be, nationalism is always a struggle for control of land; whatever else the nation may be, it is nothing if not a mode of constructing social space” (Williams and Smith 1983:502; see also Smith 2000; Penrose 2002). Markets for land are indeed full of social meanings. Governments therefore often regulate ownership in land in order to serve purposes. Those purposes are determined by various collective identities within a society. A society’s national identity, in particular, has historically been the source of such social purpose.

In this chapter I explore the relationship between land markets and national meanings in Lithuania after the fall of the Soviet Union in 1991. Lithuania is a small country of approximately three and a half million citizens nestled between the other post-Soviet states of Belarus, Latvia, and Russia, in addition to Poland to the southeast. Lithuania’s location on the Baltic Sea has led observers regularly to refer to it as 1, along with Estonia and Latvia, of the 3 Baltic states of the former Soviet Union. Although these 3 Baltic states differ a great deal, they share a political bond: of the 15 post-Soviet states, only these 3 unambiguously rejected membership in the Commonwealth of Independent States (CIS) and, instead, embraced the European Union (EU) and North Atlantic Treaty Organization (NATO).

The Lithuanian government, thus, rejected the East and turned toward the West in its foreign economic policies. Motivated by widely shared interpretations of social purpose – interpretations originally proposed by *Sąjūdis*, the nationalist movement – the Lithuanian government was among the first post-Soviet states to introduce an independent currency and exit the monetary union inherited from the Soviets. Lithuania refused to join a customs union or free trade agreement with Russia and other CIS states, and sought instead to reorient its commerce toward the EU. Political priorities dominated the country’s trading and monetary arrangements.

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These priorities were reproduced in the market for land, and debates about foreign ownership of Lithuanian land mirrored broader societal debates about the content of Lithuanian national identity.

In this chapter I first outline the relationship between nationalism and political economy in post-Soviet Lithuania. Then I describe the importance of the idea of Lithuanian society's European-ness to its national identity. Next I trace the changes in the Lithuanian government's policies toward land markets, linking those changes to public and parliamentary debates over the meaning of foreign land ownership. Finally, I highlight the implications of the Lithuanian case for understanding the purposive and directional characteristics of nationalisms.

### Nationalism and political economy in Lithuania

Lithuanian nationalism has powerfully influenced the country's politics and economics. To be more precise, Lithuanian society's consensus about the content of its national identity endowed foreign economic policy with specific social purposes, including the nation's "return to Europe." This consensus lengthened the time horizons of Lithuanian society and government, for although the country's political-economic reorientation entailed obvious and acknowledged material sacrifice in the short run, it was believed that future generations of Lithuanians would benefit from the deprivation of the present.

At first there was an agenda to be set. Lithuanian nationalists took up this task, and offered the rest of society their proposal for the content of Lithuanian national identity. In the middle of the 1980s, a number of Lithuanian intellectuals in the Academy of Sciences created the *Lietuvos Persitvarkymo Sajudis*, or Lithuanian Movement for Restructuring (perestroika), which, at first, merely sought to promote political change and independence from the Communist Party of Lithuania (CPL). The Movement, or *Sajudis*, as it came to be known, held its founding congress in October 1988. At that time it proclaimed its support of perestroika and proposed greater Lithuanian autonomy within the Soviet federation and more economic self-management. In November *Sajudis* elected Vytautas Landsbergis, a music professor, as its president and adopted increasingly radical goals regarding Lithuania's place in the Soviet Union. *Sajudis* was transformed from a movement for perestroika into a nationalist front demanding independent statehood in the space of little more than a year (see Vardys 1995; Muiznieks 1995).

The CPL's reaction to *Sajudis* during its rise to prominence varied over time. Originally, the CPL sought to contain *Sajudis* influence, but eventually embraced *Sajudis* support of a new model of Soviet federalism put forward by Estonian nationalists. The Party lacked *Sajudis* resolve, at least early on. Under pressure from the Communist Party of the Soviet Union (CPSU), the CPL backed down from the Estonian federal model.

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However, Algirdas Brazauskas, a young party leader, pushed the Party to change more quickly with the times. Brazauskas' popularity and political savvy led to his appointment on October 20, 1988 as First Secretary of the CPL, the Party's highest post. Brazauskas was clearly in touch with Lithuanian sentiment regarding the opportunity for change presented by perestroika. Two days after his appointment, Brazauskas addressed the founding congress of *Sajudis*, his first major public audience as First Secretary. Attempting to connect with Lithuania's increasingly influential nationalists, he told *Sajudis*, "on matters of principle, we think alike" (Vardys 1989:65). A second speech he gave to the congress revealed his commitment to change, as he spoke of the "revival of Lithuanian national consciousness" (Senn 1990:222).

When First Secretary Brazauskas called the twentieth congress of the CPL in December 1989, he proposed a dramatic break with the past. It was at this congress that the CPL announced its independence from the CPSU. Lithuania's Communists thus sent a clear message to the Lithuanian public and to Moscow, where Soviet authorities condemned the move. Subsequently, the CPL cooperated more intensively with *Sajudis* during the drive toward independence. Indeed, the memberships of *Sajudis* and the Communist Party of Lithuania increasingly overlapped: approximately half of the Initiative Group that began *Sajudis* were Party members. And when the Party elected its new Central Committee in 1989, over half of its members were of self-described "*Sajudis* orientation" (Senn 1990:222). Later, in 1990, the CPL recast itself as a social democratic party, "in the west European tradition," and renamed itself the Lithuanian Democratic Labor Party (*Lietuvos Demokratine Darbo Partija*, or LDDP).<sup>1</sup>

Events moved quickly during 1990. Gorbachev visited Lithuania in January to campaign against secession from the Union. However, in the February 1990 elections to the Lithuanian Supreme Council, independence-minded *Sajudis* candidates won more than 70 percent of the seats. A month later, in March, the Supreme Council voted 124–0 to declare independence from the Soviet Union. Landsbergis of *Sajudis* was elected Chairman of the Council, a parliamentary post that also made him the newly declared state's first president.

Although other nationalist political parties emerged after independence, *Sajudis* remained the most prominent and influential proponent of a vision for the future of the nation and set of purposes for the state. In 1993, *Sajudis*, which had, in fact, only been a movement rather than an official party, reorganized itself as a political party called Homeland Union, which remained the dominant nationalist party throughout the decade.

Homeland Union's leaders, and most of Lithuania's other nationalists, organized their policy proposals around three main ideas. First, they argued that Lithuania's inter-war state had been lost to Soviet influence, which they associated with Russia, and that after the Cold War Lithuania's newly regained statehood was threatened most by Russia. A strong state

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was therefore to be an important defense of the sovereignty of the Lithuanian nation (Matulionis 1994; see also Clark 2000). Second, Lithuania's nationalists argued that economic dependence on Russia was the state's primary security threat (Abdelal 1998a). Third, they argued that the state should therefore "reorient" its politics and economy from East to West (Abdelal 1998b; see also Lofgren 1997; Clark 2000). That is, Lithuania should cultivate close economic relationships with "European" states and reduce its economic dependence on Russia. And while the Lithuanian government should become part of the EU, NATO, and other western institutions, it should reject under all circumstances multilateral, institutionalized economic and political relationships with post-Soviet states as a group, especially the CIS.

Thus, *Sajudis*, and later Homeland Union, essentially put forward specific proposals for the content of Lithuanian national identity. These ideas and policy proposals became popular between 1988 and 1991, when Lithuania was on its way to independent statehood. Almost all Lithuanians accepted the arguments of these nationalists. There were no influential organized groups that contested them. Lithuanians largely agreed on what it meant to be Lithuanian, what the government should do in its relations with other governments, and what were the purposes of the state. As Soviet authority collapsed, the popularity of these ideas was reflected in the popularity of the *Sajudis* itself, which virtually swept the 1989 elections to the Congress of People's Deputies and 1990 elections to the parliament.

The coherence and consensus of Lithuanian national identity was even more clearly illustrated when *Sajudis* lost parliamentary and presidential elections to former Communists several years later. In October 1992, a little over a year after the Soviet authorities recognized Lithuanian independence, Lithuania was the first country in eastern Europe or the former Soviet Union to return its former Communists to power in an election. Lithuanians gave the LDDP a parliamentary majority in 1992 and elected the former First Secretary Brazauskas in the 1993 presidential election.<sup>2</sup> For five decisive years in the middle of the decade, Lithuania was ruled by essentially the same party that had controlled the republic during the Soviet era, and many of its leaders were the same people, the old nomenklatura.

Lithuania's former Communists were unlike many former Communists throughout the region. Brazauskas had cooperated with *Sajudis*, and had broken with the CPSU even before formal independence had arrived. Most Lithuanians trusted the commitment of the LDDP and Brazauskas to an independent Lithuanian state (see Senn 1995; Clark 1995; Clark *et al.* 1999). After Brazauskas was elected President, he explained that Lithuanians knew they could trust the former Communists, because "in the former Communist Party maybe three percent were communists and the rest were just members" (Tammerk 1993). In other words, everyone knew that they never really meant it (see Senn 1992; Christophe 1997). The intellectual Algirdas Julius Greimas expressed it thus in 1954: "Even a Communist Lithuanian

is a real Lithuanian, if he is concerned with the well-being of society” (Rindzeviciute 2003:81).

Indeed, Lithuania’s former Communists had become nationalists, in the sense that they used the symbol of the nation in the same ways that *Sajudis* and Homeland Union did, and to legitimate the same foreign policy goals. Lithuanians elected a nationalist, pro-European LDDP in 1992, which had foreign policy goals that were essentially identical to those of the original nationalists (see Lithuanian Democratic Labor Party 1992; Tuskenis 1992a, 1992b; Lucas 1992a, 1992b, 1992c; Ashbourne 1999). Thus, Lithuania’s former Communists proclaimed the nationalists’ main goals as their own as well. As an LDDP leader explained, in Lithuania “the Communists are more nationalist than the nationalists,” because they are better at achieving the same goals (Abdelal 1998b).

Furthermore, all five of Lithuania’s major political parties shared the same foreign policy objectives (see Homeland Union 1996; Lithuanian Democratic Labor Party 1996; Lithuanian Christian Democratic Party 1996; Lithuanian Center Union 1996; Lithuanian Social Democratic Party 1996). That is, all five – Homeland Union, the Lithuanian Christian Democratic Party, the LDDP, the Center Union, and the Lithuanian Social Democratic Party – legitimated these goals of reorientation with the symbol of the nation. These 5 accounted for over 90 percent of parliamentary seats throughout the decade. When the Lithuanian parliament ratified the Europe Agreement in June 1996, only 1 MP voted against Lithuania’s membership.

In sum, Lithuanians, especially the Lithuanian political elites elected during the 1990s, agreed on the meaning of their national identity and on the fundamental purposes of their statehood. In the late 1980s *Sajudis* emerged as a nationalist movement that proposed pro-European and anti-Soviet content for their society’s identity, and they were successful. Most significantly, Lithuania’s former Communists, the other major political force in the country, agreed, and adopted the foreign policy goals and national symbolism of *Sajudis*. The prevailing construction of Lithuanian national identity was both clear and consensual.

This clarity resulted in a post-Soviet foreign economic policy for Lithuania that was coherent, purposive, and single-minded. Lithuanian national identity framed the society’s political and economic debates. Economic reintegration with the East was not a legitimate option. Lithuanians believed that reorienting their economy toward Europe was the best path to wealth, even if only in the long run. The widely shared content of national identity gave both government and society the political will to endure the economic sacrifice of reorienting toward Europe, sacrifice that was understood to be quite significant, as oil and gas prices rose and eastern markets were lost. Most Lithuanians acknowledged that some economic sacrifice was worth this national purpose. As Michael Wyzan argues, “economic belt-tightening was associated with regaining political

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independence. People felt that they were sacrificing their living standards for a worthy cause” (Wyzan 1997:14; see also Jeziowski 1992). In the long run, a European state and economy for the Lithuanian nation would pay off, Lithuanians argued. The central theme of Lithuania’s economic policies was the victory of the long view over the short (see Girnius 1997; Abdelal 1998a, 1998b).

### **The past is another continent: from Eurasia to Europe**

Lithuanians’ interpretation of Europe was central to their interpretation of their nation during the 1990s (see Rindzeviciute 2003). The most important meaning Lithuanians attached to Europe was its cultural, religious, and historical separateness from Russia and from the post-Soviet space, or “Eurasia.” Almost everyone agreed that Lithuania, having regained independence, would “return to Europe,” with the EU as Europe’s most concrete symbol and EU membership the ultimate recognition of being a European state. For many Lithuanians, the tasks of orienting their state toward Europe and away from Russia were equivalent. In an interview with historian Timothy Garton Ash, a member of the Lithuanian parliament, the Seimas, articulated this definition: “Europe is ... not-Russia!” (see Ash 1994; Jurgaitiene and Wæver 1996; Bunce 1997; Nekrasas 1998).

Trade with the EU was to be welcomed, while trade with Russia was a threat to state security and political autonomy. The government sought to join Europe’s monetary union, but refused membership in the ruble zone. “Integration” into the EU, NATO, and other institutions of the western, “trans-Atlantic Community” was the government’s most important strategic goal. But the government rejected all post-Soviet institutions, the CIS included, and any efforts toward the “reintegration” of the Eurasian economic space. Indeed, Lithuania’s potential participation in post-Soviet regional institutions was pronounced unconstitutional. In June 1992 the Lithuanian parliament adopted the Constitutional Act on Nonalignment of the Republic of Lithuania to Post-Soviet Eastern Alliances, which specified that the state would “never and in no way join any new political, military, economic or any other state alliances or commonwealths formed on the basis of the former USSR” (Supreme Council 1992).

The government’s attempt to reorient the Lithuanian economy exacerbated the country’s economic crisis associated with economic transition. Russia offered subsidies and favorable trade agreements to reintegrationist states like Belarus, thus easing the costs of Soviet economic dissolution. In contrast, it charged world prices for energy and raw materials exports to Lithuania. Russia also withheld most-favored-nation trade status as punishment for Lithuania’s rejection of the CIS and unwillingness to compromise on issues important to the Russian government, like military transit across Lithuania to the Kaliningrad region of Russia.<sup>3</sup>

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Lithuania's cultivation of European economic ties began immediately upon the achievement of statehood. In 1992, Lithuania and the European Union signed an Agreement on Trade and Commercial Cooperation, which came into force in 1993. Then in June 1993 in Copenhagen EU leaders confirmed their intention to enter into Europe (Association) Agreements with the three post-Soviet Baltic republics. In July 1994 Lithuania and the EU concluded a free trade agreement, which came into effect in January 1995. Then in June 1995 the Lithuanian–EU free trade accord was incorporated into an agreement that Lithuania would become an Associate Member of the EU. Lithuania's pro-EU economic orientation was well institutionalized by the end of the decade, and the structure of Lithuania's trade had changed significantly. For example, between 1991 and 1996, EU markets increased their share of Lithuanian exports from 2 to 33 percent, while the share of CIS markets dropped from 86 to 45 percent. Similarly, imports from the CIS, which had accounted for 80 percent of Lithuania's total in 1992, added up to only 29 percent in 1997.

### Markets for land

On the way to the Europe, however, Lithuanians discovered that their land must accompany them. In addition to the complicated application and evaluation process, including translating and codifying the 80,000 pages of *acquis* legislation, it was discovered that Lithuanians would be obliged to amend their new constitution. At issue was Article 47, which forbade non-citizens from owning land. Article 47 would thereby conflict with the European single market.

From the perspective of this volume, Lithuania represents a fascinating case of an ethno-nationally restricted land market, with obvious implications for the allocation of resources, income distribution, and growth. For Lithuanians, land had traditionally played a large role in nationalist thought, reflecting the society's rural and agricultural past. Compared to Estonia and Latvia, their Baltic neighbors, Lithuania is much more agricultural – in 1990, as the Soviet Union was collapsing, one third of Lithuania's GDP was derived from agriculture, while the comparable figure for both Latvia and Estonia was one fifth (World Bank 1992).

### *Non-agricultural land*

Lithuanian politicians dealt first with the land about which society was less sensitive: non-agricultural land. It was the farmers who most opposed the selling of land to foreigners. Perhaps even more importantly, it was the farmers who filled the national imagination, epitomizing the independent Lithuanian. Thus, land in the cities, and particularly for commercial purposes, was seen as an easier problem to solve.

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Nevertheless, Lithuanians expressed a variety of concerns about even this first step. The most significant connection was drawn between the independence of the country and indigenous ownership of the land (Raugalas 1994). In the spring of 1995 a conference, organized under the auspices of the UN, was devoted to the issue, partly an attempt by some members of the government to publicize how problematic the land issue truly was for the country's international relations. Among the arguments in favor of liberalization were the improvement in the climate for foreign investment, as well as the resultant influx of foreign capital that would energize the stagnant land market. More philosophically, liberals insisted that if the government were serious about enabling property rights then landholders would be allowed to sell to whomever they wished. Some Lithuanians were unconvinced, however, and highlighted the "danger to national security" from the land purchases of "Russian colonists and the Russian security services" (Račas 1995a).

In December 1995 the issue became more pressing, as the government submitted its application for membership to the European Union. The same day Lithuania applied for EU membership, members of parliament agreed in principle to amend the constitution to allow foreign ownership of land (Račas 1995b). Not only would the restriction on the land market keep the country out of Europe, it also, many politicians argued, hindered economic development (Prunskienė 1995; see also Baltic News Service 1995). Still, there was no shortage of evocative dissent. Some Lithuanians objected to the marketization of sacred assets, for example:

The land of the nation is not only the place where the foreign company can build a gas station or camping ground. It is the substance where our lives and fates merge, where the bones of our ancestors are buried, where their experience and wisdom lies; by not departing from them, by keeping our connection with them we have managed to become not nomads, but to become a durable state.

(Jasukaitytė 1996)

Members of parliament carefully, and in much consultation with all represented political parties, drafted a constitutional amendment and a set of supporting laws (Gečas 1996). The consensus eventually achieved on amending the constitution was such that every single political party represented in the Seimas had agreed in principle and taken part in the drafting, with the exception of the party of Nationalists, whose four members opposed EU membership altogether (Baltic News Service 1996a, 1996b).

The parliamentary debates about the 1996 amendment revealed a great deal about the motivation of the legal change. The few skeptical members of parliament echoed concerns that had been expressed in the media. A.P. Tauras worried, "There were attempts to colonize us during the tsarist

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times; there were attempts to colonize us very subtly during the Stalinist occupation; and now will we not be colonized by the power of money?" (Seimas 1996a).

Those Seimas members who justified the amendment emphasized the motivation to adhere to European norms, as well as to satisfy the EU's criteria for accession. Egidijus Jarašiūnas explained, "The main goal of the amendment is to create the legal grounds to ratify the European Agreement, to implement the integration of Lithuania into European and Western structures" (Seimas 1996a). Kazys Bobelis emphasized that Lithuania should avoid being left behind by neighbors who were prepared to meet the EU's accession criteria unhesitatingly:

We are going to the West, trying to ensure our economic, social, and cultural security. Reflecting this approach, we have to adjust to the standards and the requirements of the Western states. If all states are doing this and all are adjusting, then we cannot stay alone, isolated, and fall into the Russian sphere of influence and control again.

(Seimas 1996b)

Vytautas Plečkaitis argued that the amendment was part of the package of policies that would ensure the future prosperity of the nation:

The constitutional amendment is important not only because it gives investors the possibility of owning the land needed for a particular investment, it is important because it builds the groundwork for our society to integrate more quickly into the family of European nations, bringing closer European standards of living that would assure many Lithuanians an affluent life.

(Seimas 1996c)

Finally, Andrius Kubilius suggested that Lithuania's very modernity was at stake arguing, "This amendment is the necessary condition for Lithuania to become a modern state. The center of Europe cannot remain a province of Europe" (Seimas 1996b).

Thus, after several years of internal debate and negotiations with the EU, the Seimas gave land ownership a pro-European and anti-Russian direction. The Seimas voted to amend the constitution to allow citizens of other countries to own non-agricultural land for business purposes. Under the amendment not all foreign citizens could own land in Lithuania. Only members or associate members of the EU, NATO, and OECD can, because they are, according to the Seimas, "foreign subjects meeting the criteria of European and trans-Atlantic integration" (Seimas 1996d: I-1392). In contrast, Russians, and citizens of other CIS countries, cannot own land in Lithuania (see Laskevich 1996; Reuters 1996; Burbulis 1996).

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### *Agricultural land*

Ultimately, Lithuania also had to address the issue that so incensed its farming community: the sale of agricultural land to foreigners. By 2002 Lithuanian representatives had closed the EU negotiations on the *acquis* chapter dealing with land markets and capital movements. Having liberalized the market for non-agricultural land in 1996 – at least for Europeans and other members of the presumed trans-Atlantic community – all that remained was to open the market for agricultural land to European ownership as well. There was far less consensus with the Seimas on agricultural land, however (ELTA 2000a).

The most outspoken and influential critics of the proposal to liberalize the agricultural land market were the farmers (ELTA 2000b). Lithuanian farmers regularly accused Lithuanian politicians of betraying the homeland, and portrayed the government as a lackey of the EU, criticizing it for “bowing on its knees” before the West (Gudavičius 2001; see also Lenčiauskas 2001). Lithuanian farmers expressed their concerns through the powerful Chamber of Agriculture, which regularly warned that liberalizing the land market would be “a direct road to the selling out of Lithuania” (Baltic News Service 2002a). Whereas the debate on non-agricultural land had been tense, the interchange on agricultural land was downright acrimonious. Some Lithuanian nationalists’ fears were expressed in subtly, and even often explicitly, anti-semitic terms (see Bieliauskas 2001).

The farmers also appealed to two economic arguments. First, Lithuanian farmers insisted that the relative inexpensiveness of Lithuanian land would allow foreigners to expand their holdings much more quickly than locals. Thus, the benefits of the activation of the land market would accrue primarily not to current holders of land, but to foreign speculators. Lithuanian farmers therefore demanded a transition period. Second, because agricultural land had been collectivized during the Soviet period, and was still in the process of being privatized, farmers expressed concern that until pre-Soviet claims to land had been sorted through it would be premature to allow foreigners to hold title. Kazys Maksvytis, general director of the National Land Service, argued, “Right now only 30 percent of farmers in Lithuania own their own land. Farmers here need time to adjust to the new rules before foreign interests with more capital join the market” (Paulikus 2003).

Government representatives attempted to allay these concerns. The Seimas chairman, Arturas Paulauskas, announced his worry that the farmers’ organizations threatened the entire process of EU integration with their insistence on maintaining a restricted land market or insisting upon a transition period (Baltic News Service 2002b; ELTA 2002a). Opponents of the transition period appealed to the rationality and reasonableness of liberalizing the land market, particularly to EU, NATO, and OECD citizens. Reflecting on the fact that foreigners currently rented only 22,000 hectares

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of land in Lithuania – 0.6 percent of all agricultural land, and 1.5 percent of all rented land – Lithuania’s chief EU negotiator called the decision a “political compromise to comfort the farmers” (Baltic News Service 2002f). Lithuania’s Free Market Institute insisted that continued restrictions on the sale of land to foreigners would hinder the country’s integration into the EU, slow the development of the economy, and delay much-needed agri-cultural reforms (Baltic News Service 2002g).

In the spring and summer of 2002 the Seimas considered how to proceed. The primary concern raised was the effect of the amendment on farmers. As Ramunas Karbauskis put it, “If we speak about the sale of land to foreigners, it is necessary to say that it is not the question of how much the land will cost in one or two years. It is the question of whether there will be at least one Lithuanian farmer” (Seimas 2002b). A few liberal MPs questioned why the land market should be opened only to those from the West. Julius Veselka queried:

I want to get a logical answer why, according to the prepared constitutional law, a Lithuanian can sell one hectare of land to George for 500 litas, but not to Ivan who will offer for the same hectare of land one million litas; the Lithuanian will not be able to sell his land to Ivan.

(Seimas 2002a)

In March MPs voted 119–4 in favor of a constitutional amendment liberalizing the land market (Seimas 2002a; Gudavičius 2002). According to the constitution, however, the Seimas must consider amendments twice, with at least three months elapsing in between votes. In the summer supporters of the amendment planned the next vote (ELTA 2002b).

By then the farmers had mobilized against the amendment. In the summer of 2002 associations of farmers, and most prominently the Chamber of Agriculture, threatened massive public protests if the Seimas were to vote on the proposed constitutional amendment without acceding to their demand for a transition period (Baltic News Service 2002d, 2002e; ELTA 2002c).

By July the government relented, and announced that indeed Lithuania would seek a transition period (Baltic News Service 2002f; see also Seimas 2002c). Apparently the contest came down to a bargain between Seimas speaker Arturas Paulauskas and the agricultural community: in exchange for calling off their strike, Paulauskas promised farmers that Lithuania would reopen the closed *acquis* chapter and request a 7–10-year transition period (ELTA 2002d). In November 2002, the EU agreed to a transition period, to commence when Lithuania enters the EU in May 2004. When the Seimas finally voted again on the constitutional amendment, the vote was 116–4 in favor (Baltic News Service 2003a).

The Seimas then also adopted a series of laws – so-called “safety catches” – designed to limit land speculation and ensure the survival of Lithuanian

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farmers (Baltic News Service 2003b). Among the more interesting safeguards were: limits on the maximum area of land that could be owned in absentia; the provision that state-owned farming land could be sold only where once-nationalized land has been restored; the right of first priority in land purchases for neighboring landholders; and demanding criteria for agricultural landownership – two years' farming experience and a Lithuanian or European agricultural diploma or five years' farming experience and a successful exam (ELTA 2003b; see Seimas 2003b). Of course, the most important safeguard limited agricultural land ownership to “only those foreign entities which meet the European and Trans-Atlantic integration criteria of Lithuania” (ELTA 2003a). The transition period was set at seven years (ELTA 2003c). The outcome, in sum, is a land market that is still very much restricted (see Valatka 2003a, 2003b).

### Conclusions

Once it became clear that Lithuanians would have to amend their constitution in order to meet the EU's accession criteria, they began to debate the meaning of property in land. Two fears dominated Lithuanian political thought: first, that Lithuanians' defining “other,” Russians, would continue to subjugate the economy long after political control of the Soviets had disintegrated; and second, that the Lithuanian farmer, who epitomized the independent Lithuanian, would be eclipsed by foreign agriculture and its greater access to capital. The solution Lithuanians found to their constitutional dilemma managed to allay both fears.

Part of the solution was straightforward: because Lithuanians understood themselves to be “European,” while Russians are not, and the EU demands only a single European market (rather than a universally liberal market), it was possible simply to allow property in land just to a subset of foreigners. As it was explained by Vytautas Landsbergis: “We made the principled decision because we want to be in the EU. Otherwise, we are shut out, and we stay with Mr. Lukashenko,” the authoritarian Belarusian leader who has embraced economic reintegration with Russia (Seimas 2003a). So, Lithuanians allowed Europeans to own their land. But simply allowing the Europeans in would have satisfied the EU. Interestingly, Lithuanians expressed a broader set of political priorities in their decision. Rather than just European integration, “transatlantic” integration informed their choice to allow citizens and firms of NATO and OECD countries to own land as well.

In this chapter I took the content of national identity as exogenously given and explored the political-economic consequences of the prevailing definition and interpretation of purposes of Lithuanian nationhood. The Lithuanian case reveals several general lessons about the relationship between nationalism and political economy. Nationalism has four primary effects on governments' foreign economic policies: it endows economic policy with

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fundamental social purpose, related to protecting and cultivating the nation; it engenders the economic sacrifice necessary to achieve societal goals; it lengthens the time horizons of a national community; and, most significantly, it specifies a direction for policy, away from a nation's "other" and, often, toward another cultural space.

### Notes

\* The research for this chapter was supported by the Division of Research, Harvard Business School. I am grateful for the excellent research assistance of Dovile Jakniunaite, who collected and translated the materials published in Lithuanian. Donna Isaac assisted with countless details.

1 A few Soviet loyalists retained the CPL name for their organization until the party was banned in August 1991.

2 The 1992 constitution created the presidency.

3 Kaliningrad, which borders Poland and Lithuania and is on the Baltic Sea, is separated from the rest of the territory of the Russian state by Latvia and Lithuania.

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## **Part III**

### **Religion, ethno-nationality, and economics in land struggles**

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