

# Lithuania (Lietuva), Latvia (Latvija) and Estonia (Eesti)

Lithuania, Latvia and Estonia are known as the Baltic States because of their position bordering the Baltic Sea. They all neighbour each other in the north-eastern corner of Europe, and share their borders with Russia, Poland and Belarus. Lithuania also borders the Russian *enclave* of Kaliningrad. All three nations were formerly part of the Union of Soviet Socialist Republics (USSR). They all joined the European Union as part of the 2004 expansion and have been enthusiastic participants in the EU since their accession.

## Recent History

After the end of the World War II, the Baltic States were under Soviet control until they regained their independence in 1991. After this date, Lithuania, Latvia and Estonia worked towards membership of both the EU and the North Atlantic Treaty Organisation (NATO). They achieved these goals in 2004.

Relations with Russia have dominated the politics of all three nations since their independence. Large numbers of immigrants from Russia and other former Soviet nations were not granted citizenship in either Estonia or Latvia. Although they had to improve their citizenship process in order to join the EU in 2004, a significant proportion of the population (10% of Estonians and 19% of Latvians) have still not been given these rights. Relations with Russia are critical to all three countries. Latvia and Lithuania separate Russia from the Kaliningrad enclave, which has led to border disputes.

The Baltic States were the first European nations to re-introduce a 'flat tax' system. Estonia introduced the flat tax in 1991 and Latvia and Lithuania followed in 1994. A flat tax system is one in which everybody pays one tax rate regardless of income. It has since been adopted by several other Eastern European nations and Russia. The Baltic States' economies were badly damaged by the global economic crisis which started in 2008. Latvia in particular suffered Europe's worst recession and Latvia's government was the first in the EU to fall as a result of the economic crisis; Prime Minister Ivars Godmanis resigned following violent protests about his handling of the country's economic troubles. Latvia needed a €7.5 billion loan from the International Monetary Fund (IMF) to avoid bankruptcy in 2009.

## Government Structure

All three countries are republics and are representative parliamentary democracies. In Lithuania, the president is elected by popular vote along with the members of parliament. In Latvia and Estonia the parliament appoints the president after the election.

Lithuania's Head of State is President Dalia Grybauskaitė who resigned as an EU Commissioner when she won Lithuania's Presidential election in May 2009. She is Lithuania's first woman President. The Lithuanian parliament is called the *Seimas*. It has 141 members of which 71 are directly elected within single-member constituencies and the other 70 are elected nationally through proportional representation. The current government is a four-party *minority coalition* led by Prime Minister Algirdas Butkevičius who was elected in 2012.

Latvia's head of state is President Andris Bērziņš who was elected in 2011. The Latvian parliament has one chamber

called the *Saeima*. It has 100 members elected by proportional representation. The current Prime Minister, Valdis Dombrovskis, is a member of the main centre-right party, New Era. Dombrovskis was previously a Member of the European Parliament (MEP), but he came to power in Latvia in March 2009 when the previous government collapsed as a result of the country's economic troubles. He was then re-elected in October 2010 and he currently leads a five-party coalition.

The Estonian head of state is President Toomas Hendrik Ilves, who represents Estonia in international relations. Political control lies with the Prime Minister, Andrus Ansip, who leads a minority coalition consisting of his centre-right Reform Party and the nationalist Pro Patria and Res Publica Union (PPRP). The Estonian parliament is called the *Riigikogu* and has 101 members, elected by proportional representation.

## Relations with the EU

The Baltic States are all keen members of the EU project. Lithuania was the first state to ratify the failed EU constitution in November 2004, Estonia ratified it in 2006 and Latvia ratified it on the same day that the Dutch voted 'no' in a referendum. After France and the Netherlands' rejection of the EU Constitution, all three countries ratified the replacement Lisbon Treaty in 2008.

Perhaps the biggest contribution that the Baltic States make to the EU is in relations with Russia, other former Soviet states and also the Nordic nations. They are members of several international bodies aimed at promoting regional cooperation, such as the Northern Dimension (with Russia, the Scandinavian nations and Iceland). The Baltic States also signed the Schengen Agreement in May 2004, which allows for the abolition of systematic border controls between members, and were fully integrated into the Schengen area in 2007. Estonia joined the Euro on 1 January 2011, while Lithuania and Latvia are expected to join in 2014.

## Facts and Figures

- 91% of Lithuanians supported joining the EU in a national referendum in 2003.
- Before the 2008 global economic crisis, the Baltic States had some of the highest GDP growth in EU: In 2005, Estonian GDP grew by 7.2%, Latvia by 8.3% and Lithuania by 6.7%.
- Since the crisis some states have done better than others, Latvia's growth in 2010 was -0.3% whereas Lithuania's was 1.3% and Estonia's was 3.1%.

### Technical Terms

**Enclave:** part of the territory of a state surrounded by other states.

**Minority coalition:** a collection of parties that share government but do not form a majority in parliament.

### Links

- <http://www.mk.gov.lv/en>
- <http://www.lrv.lt/en>
- [http://www.eesti.ee/eng/riik/eesti\\_vabariik/](http://www.eesti.ee/eng/riik/eesti_vabariik/)