STRATEGIC FOUNDATIONS OF THE POLISH-LITHUANIAN ECONOMIC INTEGRATION IN THE CONTEXT OF REAL ACTIONS

The focus of the presented compilation is on the process of the economic integration of Poland and Lithuania under the conditions and structures of the European Union. Cross border and interregional cooperation is a significant part of the development policy of these two states. The economic integration guarantees information and experience flow between regions, thereby supporting their efforts directed onto the improvement of the way of the functioning of self-governing institutions and private organizations, it also facilitates the development of tourism, ensures the coordination of infrastructure development on both sides of the Polish-Lithuanian border, leads to the educational and cultural progress and is a tool for promoting this region in the EU and beyond its frontiers. Transboundary cooperation draws its value from the fulfilled functions. It inspires us to research/describe this phenomenon and to look at it through the prism of the EU programmes and state strategies, as well as to verify the fulfilment of the programme goals that in practice faces many obstacles of historical, ethnic and social background.

Key words: interregional economic integration, the EU, cohesion policy, Euroregion, cross border cooperation programme, national minority.

Introduction

Poland and Lithuania – neighbouring states, which in their history were united within the common state structure known as the Polish-Lithuanian Commonwealth. When the Commonwealth reached its Golden Age, it was attacked and partitioned by the neighbouring powers, and even experienced an episode of fighting against each other after World War I. Having been separated from each other by the border of the USSR, now both states are again striving for integration. After the fall of the Eastern Block, the democratic governments of the two states took effort to join the European Community. Since they handed applications for membership (Poland on April 8, 1994, Lithuania on December 12, 1995), they have been gradually adjusting their legal systems and political and social-economic reality to the principles of this international organization they both accessed on May 1, 2004.

One of the EU’s main goals is to promote social and economic progress by tightening the economic cooperation and eliminating barriers in trade between its member states. At present, both, in Poland and in Lithuania, the cross-border and interregional cooperation is, in pursuit of common European policy, a significant part of their strategies of social-economic development. In the presented compilation, the principles of the Polish-Lithuanian economic integration will be covered, as well as
the problems of the implementing theoretical rules of the EU into the economic practice. The real level of carrying them into effect will also be verified.

**Polish-Lithuanian Economic Cooperation as Programme Principle**

Integration of the European states with respect to their right to different social-economic systems is a postulate of almost every international model of multiculturalism which is included in the documents of the UN, the UNESCO, the Council of Europe and the European Union. The most important part of the integration process is economic cooperation since it supports the increase in the level and effectiveness of production, which results also from growth in size and absorption of the joint market.

Poland and Lithuania, being aware of positive effects of interregional economic cooperation, took the initiative to establish the Euroregion Neman as a form of organizing cross border cooperation between Poland, Lithuania, Russia and Belarus already in the beginning of 1995, in the Declaration of the 2nd Baltic Economic Forum. The main reason for founding the Euroregion Neman was the need to push the living standards of the local frontier communities up by taking advantage of the situation resulting from social-economic transformation and convenient geographical localization of Masuria and Suwałki Region. On June 6, 1997, after a two-year preparation, the agreement on establishment of a three-sided cross-border Euroregion Neman was made. Its founders were Suwalskie Voivodeship (Poland), Alytus and Mariampol Counties (Lithuania) and Grodno Region (Belarus). The Russian part joined the Euroregion only in April 2002.

The priorities of the Euroregion’s activities are: development of tourism, training, education and labour market, conservation, cultural and social development, improvement in transport. However, the most important target of the Euroregion Neman is the economic growth and improvement in the local economic situation. It can be achieved by creating an integrated business database, by special economic or customs-free trade zones, by holding fairs, business meetings or permanent national exhibitions and by growth in entrepreneurship and setting up consultation points for working out developmental strategies (Początki Euroregionu Niemen 2012).

Within Euroregion Neman 32 projects have been realised so far. Their main goals were: promotion of culture (13 projects), development of tourism and recreation (8 projects), public infrastructure (4 projects) and. Less number of projects concerned,
civil protection and youth exchange (3 for each of them). Just one project focused on
development of entrepreneurship (Lista projektów… 2013).

Polish-Lithuanian cooperation is not limited to the regions at their frontier,
since their littoral zones are activated within the Euroregion Baltic where Russia,
Sweden and Denmark are also involved. The establishment of this structure began in
1997, and the proper agreement was signed already on February 22, 1998. The
Euroregion Baltic is one of the greatest organisations of such a kind in Europe,
considering the number of states involved, its size (the area of the region amounts to
about 58,000 km$^2$) and population. This Euroregion consists of Pomorskie and
Warmińsko-Mazurskie Voivodeships in Poland, Kaliningrad Oblast in the Russian
Federation, Klaipeda and Klaipeda County in Lithuania, Blekinge, Kalmar and
Kronoberg Counties in Sweden and the island Bornholm (Denmark). The Euroregion
has both self-governed and governmental nature: the representatives of local and state
authorities take part in its functioning.

In the first stage of activity, one of the most important challenges was to start
closer cooperation between people responsible for international liaison. It was not a
simple task due to the existing prejudices, stereotypes, language and financial barriers.
In the October of 2001, the Council (the highest body in the organization) adopted the
final version of a document which concentrated on the projects that aimed to improve
the living standard of the local communities and their chances in the labour market, as
well as on the actions supporting the increase in the rate of economic growth and
improvement in the constitution of the natural environment in the districts forming the
Euroregion. Five strategic priorities were named, too: development of contacts
between the people to support the local democracy, expansion and modernisation of
the communication infrastructure, development of tourism, environmental
management and protection of the natural environment, improvement in security and
counteractions against social pathologies (O Euroregionie 2012).

Integration for the EU member states and their neighbours is one of the main
objectives of the European cohesion policy for the period 2007-2013, within the
framework of so-called European Territorial Cooperation. Achieving this goal, Poland
and Lithuania deepen their mutual cooperation, participating in Transnational
Cooperation Programmes, such as “Baltic Sea Region Programme 2007-2013”,
“Operational Programme “South Baltic” 2007-2013”, “Lithuania-Poland-Russia
Both programmes focus on similar priorities and fields of activity. What should result with the multiplication effect. The objectives of both programmes have many points of convergence, their priority is to provide assistance in successful meeting the challenge and in eliminating barriers to development. The vision shared by the authorities responsible for preparing programmes lets us draw a conclusion that the region should become an important crossroad of the South-West and North-South trade and tourist routes (Lietuva-Polska 2012). The region ought to become a unit characterized by mutual understanding between the neighbours who work together for the development and maintaining the most important developmental resources, for instance cultural and natural legacy or human capital in particular entrepreneurship (LT-PL-RU 2008). According to the results of the current situation analyse, proper support is expected to lead to the elimination of barriers to effective transboundary cooperation and to provide conditions for binding together potential on both sides of the border, as well as to support suitable social, cultural and natural environment for the inhabitants, tourists and investors.

Within Transfrontier Cooperation Programmes “Poland-Lithuania 2007-2013” and “Lithuania-Poland-Russia 2007-2013” 83 projects have been realized so far (“PL-LT” – 34 projects and “LT-PL-RU” – 49 projects). Their main goals were: development of tourism and recreation (23 projects), public infrastructure (18 projects) and promotion of culture (13 projects), environmental conservation (11 projects). Less number of projects concerned civil protection (9 projects) and youth exchange (3 projects). Just 6 projects focused on the development of entrepreneurship what, in the time of economic crisis, might suggest that the priorities were set incorrectly (Otwarte ogłoszenia… 2012) (Lista podpisanych… 2013).

It seems obvious that all above mentioned programmes are candidates for close cooperation. Projects and solutions worked out within one programme can be tested in other ones. There is, though, a strong need to exchange and share the projects results or worked out good practices, as well as to hold joint seminars for the partners in projects, otherwise the variety of principles and actions cannot guarantee concrete results and tangible integration of Poland with Lithuania.
Main Obstacles for Realization of Economic Integration Strategy

Against the trends outlined by the European cohesion policy, the Polish-Lithuanian cooperation is realised not always perfectly, as we have to do here with many historical, ethnic and social barriers that influence the economic side in contacts between the states. Poland and Lithuania experienced the territorial dispute for the ownership of Vilnius and the Vilnius region – a land belonging in history to Lithuania but inhabited by many Poles. After World War I even a direct clash, which was won by Poland, broke out. As a result, the region was annexed by this state and remained its part until the Second World War broke out. Lithuania has never acknowledged this fact and the case of Vilnius had continued to be a matter of dispute for many years. Consequently, the case arouses negative emotions what results with unfriendly, sometimes even hostile attitude of the Lithuanians towards the Poles.

Contemporary, the Poles constitute the largest national minority in this country. The Polish minority numbered at 6.6 per cent of the Lithuania’s population in 2012 (Statistikos Departamentas 2013). Most of them (91 per cent) live in the Vilnius County – that amounts to 25 per cent of the district population (Statistikos Departamentas 2002, p. 192-193), hence the objective of the Lithuanian government is to assimilate the Polish minority with the Lithuanian majority. The Lithuanian policy has its root in national interest of the state and results from the belief that the Polish minority can be a menace inasmuch as the Poles dwell in a region (in particular in the capital of Lithuania Vilnius and its surrounding area) that has been a matter of Polish-Lithuanian dispute for a century. Considered from such a point of view, the confirmation of Lithuanian sovereignty requires counteracting against Polish influence, displacing Poles from their traditional place of living and limiting their (private) ownership in the Vilnius region.

The Republic of Poland has been showing a labile approach towards own minorities abroad and lack of unhesitating attitude to the Lithuanian authorities that were believed to discriminate the Polish minority since the Polish officials cared much about keeping good neighbourly relations with Lithuania. The Polish governments strongly exposed their involvement in supporting Lithuania on its way to the West European structures. However, Polish paternalism and attempts to ‘mother’ Lithuania are not assessed well in Lithuanian foreign policy, the priorities of which are Nordic states and small states of Western Europe (Kurcz 2003, p. 381-392). Due to such disagreement the Polish-Lithuanian relations cooled. In the second half of the
year 2010, Polish diplomats expressed their dissatisfaction that (in their opinion) the Lithuanian authorities did not carry out the promises they had been making to Poland for 20 years, and that EU regulations were consequently broken.

The Polish Ministry of Foreign Affairs handed Lithuanian party two protest notes over the planned amendment in the Lithuanian Act on Education that provides for an increase of a number of subjects taught in Lithuanian in national minorities’ schools, optimalization of school networks by, among others, close of national minorities’ schools in small cities, while the financial support of the Lithuanian public institutions is guaranteed. Lithuanian diplomats complain unofficially that Polish Foreign office is spreading untrue information on the situation about the Polish minority in Lithuania and is misleading the Polish public opinion. In March 2011, an amendment of the Lithuanian Act on Education was adopted in spite of the suggestion of the Polish officials and the protestation of the Poles from Lithuania that was expressed in a petition signed by 60000 people. The Polish party expressed its disappointment on Vilnius attitude, accusing it of lack of good will and of handling the issue in the way the partner states should avoid (Stosunki Polska-Litwa 2011). Such problems like Polish educational system in Lithuania, spelling the surnames of the members of the Polish minority, restitution of their estate that had been nationalized in the communist period, right to the bilingual place the names in the regions inhabited by the Poles have come out into the open.

What is more, the Lithuanian society has quite negative attitude to the Polish people. In the Lithuanian media, there are broadcasts that incite to mutual hostility and strifes on ethnic background (e.g. TV show “As myliu Lietuvą”), while in the Internet one can find more and more comments full of hate and aggression towards the Poles.

The strained atmosphere around the Polish-Lithuanian relations influences also the economic sphere. A glaring example of a negative economic cooperation between these states is the purchase of the Lithuanian oil refinery in Mažeikiai by PKN (Polish Oil Concern) Orlen in 2006. In last three years, the Lithuanians have not made any decision favourable for the refinery Orlen Lietuva – in contrary: many solutions have been adopted that lowered the profitability of the biggest company in Lithuania (Orlen Lietuva 2010) what makes the Polish investors consider the possibility to withdraw and sell all the Orlen Lietuva shares.
On the other hand, despite of crisis in political relations, independent entrepreneurs develop business relationships. Hence economic statistics shows us quite optimistic results. The value of commodity turnover between Poland and Lithuania amounted to LTL 12.000 million (EUR 3.475,61 m) in 2011 and it was the record amount in foreign trade of both states. Compared to 2010, Lithuanian export to Poland has increased by 16.4% and import from Poland even by 31.8%; that is why Poland remains one of the largest partners in Lithuanian foreign trade, taking 4th place in export (7.0%) and 3rd in import (9.1%) (Handel zagraniczny… 2012). In the first quarter of 2012, the largest increase in the direct foreign investment in Lithuania was registered among investors from Poland (LTL 555,4 m). According to data for the of first quarter of 2012, most of the measures were invested in the Republic of Lithuania by investors from Sweden – LTL 7.7 billion (17,9%) and Poland – LTL 5,5 bn (12,8% of total FDI). In turn, the Lithuanian capital was located mostly in the Netherlands LTL1,6 bn (28,2% of Lithuanian FDI total). Poland is ranked on the 4th place – the Lithuanians invested here LTL 461,73 m (8.1% of FDI total) (Litwa… 2012).

There are few more positive examples of Polish-Lithuanian cooperation: construction of an energy bridge between this countries, which should be ready to use in 2015; plans to build the gas main connecting Poland and Lithuania and Via Baltica - European transport corridor from Warsaw to Helsinki through Lithuania, Latvia and Estonia, which should be built by 2020.

Poland and Lithuania need each other in many different fields, from energy security to building roads and railways, but in the meantime their relations are, as some independent political analysts claim, the worst in Europe what does not foster the economic cooperation but leads to disintegration.

**Results**

Summarizing the article up, we are entitled to draw a conclusion that the realization of interregional economic integration strategy requires not only good transnational programmes and state ‘partial’ strategies, but, first and foremost, a will to cooperate, that would come from the bottom up, as well as a good neighbour atmosphere, replacing the hostile attitude with mutual trust and joint vision of future. Without the above-mentioned factors the objectives of the European cohesion policy will not be achieved.
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Стратégические основы польско-литовской экономической интеграции в контексте реальных действий

Резюме

Авторы статьи в ходе своего исследования пришли к выводу, что реализация межрегиональной экономической интеграции требует не только хороших транснациональных программ и государственных стратегий, но прежде всего необходимо желание сотрудничества, атмосферы добрососедства, замены враждебности на доверие и взаимоуважение, а также общее видение будущего. Без вышеупомянутых факторов цели европейской политики сплочённости не будут достижимы.