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OPTIMISATION OF DEGREE OF ECONOMIC INTEGRATION BETWEEN LITHUANIA AND BELARUS

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Abstract. *The present article tries to set up the system of the criteria allowing to specify the optimal level of integration between the two economies on the basis of the analysis of modern economic theories of interstate integration. This article attempts to apply the system of criteria for the economic analysis of a separate case—specifications for the optimal degree of economic integration between Lithuania and Belarus. The results of the analysis raise doubts on widespread stereotype of “restrictions” according to which it is necessary to “protect” our economy from contact with Belarus in every possible way. Our analysis shows high perspective and economic advantage of close integration of our economy with that of Belarus. The presented data allows us to draw attention to the issue of closer economic integration progressively passing into political cooperation.*

Keywords: *Lithuania, Belarus, bilateral economic relations, economic integration pre-conditions, Eastern Partnership.*

Introduction

Until the -90s of the XX century, i.e. before the disintegration of the Soviet Union and socialism, the political-economical system of the world had accurate criteria of division of the countries into the “worlds”—the countries of the “first world”—capitalist, the countries of the “second world”—socialist and “third world“ countries—developing ones. There were certain integration processes in these “worlds” as well. For example, two large economic blocks—European Economic Community (EEC) and the Council for Mutual Economic Assistance (CMEA) (now - the EEC and the Commonwealth of Independent States (CIS), accordingly in Europe, NAFTA in North America, ASEAN + 5 in Asia functioned earlier and today. Today there are 12 customs unions registered in the World Trade Organisation (WTO) operating in the world and there are 8 other ones which might come into force by 2020¹. Except these customs unions there are 9 economic-monetary unions with another possible 12 unions by 2028 as well as various other forms of economic cooperation.²

Integration level and criteria of integration for various “worlds” varies for both the economic policy purposes and the level of economic development of the countries entering into these “worlds”. Depending on purposes of different economic associations the criteria of their economic integration also varied. With reference to the countries of “the first and third world“ from our point of view the most suitable is classical definition of Balassa³ who considered 5 levels of economic integration—free trade, customs union, common market, economic union and full economic integration. As far as socialist countries are concerned the economic integration levels were different depending on the purposes which have been set for certain branches of economy by higher political authorities of the CMEA countries and were carried out through central planning institutions of these states, as for example the State Planning Committee of the USSR or the State Planning Committee of German Democratic Republic (GDR). It is possible to assert that the customs union, common market and the economic union fragmentary existed, however, they were regulated as all socialist countries had foreign trade monopoly.

The political components prevailed in connection with presence of different “worlds”, thus, the issues of their economic integration were not considered even at theoretical level and only trade operations were carried out between the “worlds”. After political calm of the mid 90ties of the last century and in the light of political and economic changes of the map of Europe, the issues of economic integration between the “worlds” became relevant again but now in a new configuration. At the intersection of old and new economically incorporated Europe, the problems arose for which the Western Europe has coined a term

“two-speed Europe”, namely, few compatible parameters of integration which repeats the theoretical concept of B. Balassa on free trade.

1 IMF 2010 [interactive]. [accessed 23-06-2010]. <<http://www.imf.org>>.

2 *Ibid.*

3 Balassa, B. *The Theory of Economic Integration*. London, 1961.

The first question—what are the criteria and of what level for optimal integration for the countries of the “first and second” economic “worlds”, i.e. for the countries of old and newly economically incorporated Europe as the latter, at least in the foreseeable future, is doomed to be in a pursuit position?

The second question—how low competitive economies can become strong in the integrated European economic space? Under the low competitive economy concerning certain group of the countries we understand such economy, when during the long period of time import of the investment goods prevails in it over their export.

It may sound paradoxically, but this could be achieved at the expense of the same criteria of B.Balassa only in this case directed not inside economically incorporated Europe but outside. Political “carte blanche” for such an economic scenario is given in the “Eastern Partnership” programme, perfectly fitting into the gravitation theory of Tinbergen⁴ for countries with similar economic weight.

1. Why is Belarus Chosen as the First Applicant?

The issues of safety and the all-European solidarity, economic development and the European identity—are basic factors consolidating the European states. Along with presence and functioning of political-economical blocks in Europe with Germany, France and Russia as the main players, on the periphery of these blocks, i.e. along EU eastern border goes intensive discussion, in particular about regional cooperation of Lithuania, Belarus, Poland and Ukraine, about their new measurements and possibilities. Alongside with already functioning programme “Eastern Partnership” between the EU countries and their east neighbours, discussions about so-called New Rzeczpospolita (former name for Commonwealth of Poland and Lithuania), confederation of 5 states where apart from the above mentioned countries Latvia could also join the group. The idea of “Intermarum” has been offered by Polish general and politician J. Pilsudski already in 1920, however, both on external and internal political grounds, namely because of negative attitude to this idea of large European states and first of all Germany and Russia, this idea did not receive continuation.

It is necessary to note that this idea was supported by part of the Lithuanian intellectuals, in particular Mykolas Romeris, Jonas Basanavičius and Jurgis Šaulys. If this idea had come not from J. Pilsudsky, the negative attitude to whom was already established then and basically remains today both in Lithuanian and the Belarus historiography, who knows, maybe already then in April 1919 when Pilsudsky’s armies pushed Red Army out of Vilnius, the vision of the union of Middle East Europe had become a reality.⁵

Widely known fact of that time was the mission of statesman and ideologist M. Romeris who was to become Prime Minister of the government of Lithuania but

4 World Economy Gravity Models introduced by Tinbergen (1962) [interactive]. [accessed 12-07-2010]. <<http://mason.gmu.edu/~kreinert/paperspdf/gravmod.pdf>>.

5 Januszewska-Jurkiewicz, J. *Stosunki narodowosciowe na Wilenszczyźnie w latach 1920-1939*. Wydawnictwo Uniwersytetu Śląskiego: Katowice, 2010, p. 114.

within much wider borders than today. Thus, the creation of such state as Confederation of Grand Duchy of Lithuanian, the idea also supported by Jurgis Šaulys⁶ and Jonas Basanavičius⁷, has never taken place because of the above mentioned reasons. Therefore, if Lithuania together with Poland, aim at the leading role in the policy of “Eastern Partnership,” the issues of economic integration with the nearby countries in the post-Soviet space, play a paramount role.

As the nearby partner in the first application we chose Belarus. Why?

First of all, let us at the historical and mental perspective. Historically Lithuania and Belarus have a lot in common. Looking back into the past their territories formed a part of the Grand Duchy of Lithuania, in the XXth century Lithuania and Belarus twice formed a part of one state—imperial tsarist Russia and the USSR, and twice separately, with parts of their territories—the western part of Belarus and Vilnius district—during the period between the two world wars were parts of Poland. In February 1919 the so-called state—Lithuanian-Belarus Soviet Socialist Republic was created and which has existed until August 1919.



Figure. Map of Litbel 1919⁸

- 6 BLAN, f.79-45: Kolekcija L.Abramowicza. *Listy od M.Romera*, k.39 Por. J.Sawicki 1998, *Michal Römer a problemy narodowosciowe na ziemiach bylego Wielkiego Ksiestwa Litewskiego*. Torun, s. 104.
- 7 Mažul, E. *Tautinių mažumų teisių apsauga vykdant tarptautinius Lietuvos Respublikos įsipareigojimus 1918-1940 metais* [Protection of the rights of National Minorities in International Obligations of the Republic of Lithuania 1918-1940]. Vilnius, 2009.
- 8 Map of Litbel [interactive]. [accessed 07-02-2011]. <http://commons.wikimedia.org/wiki/File:Map_of_Litbel_1919.svg>.

Another important factor is similar mentality of the two nations, presence of language for communication and extensive relative and personal relationship—all that implies and leads to mutual trust between the partners.

Secondly, Belarus is our nearest economic partner where the programme "Eastern Partnership" is working, this fact alone preconditions an attempt, from purely economic reasons, to optimise the level of integration between the two countries.

Thirdly, the choice of economic integration with Belarus is also determined by the element of piquancy (contrary, for example from Latvia) as economic relations with Belarus is something more than pure economic feasibility, they involve certain political stereotypes and problematical character.

Fourthly, in case of theoretical approbation of this pilot project, its ideas and experience could be applied for other similar cases and the analysis used in wider context of the European integration and the future economic competition of Europe in the world markets.

Therefore, the present research has raised two interesting aspects: what could be mutual benefit from interaction of two rather low competitive economies and what advantage could these two economies gain from their connection and merging in the states with different political system.

2. Problem of Degree of Integration. To what Degree Should Economic Integration Be Accompanied by Political?

First of all if we consider the processes of the European safety and economic integration with three integral elements of Western Europe, Eastern Europe and Russia then theoretically this process should cover not only integration within the limits of EU, but also countries of the post-Soviet space and Russia.

Secondly, if the basic question of the European safety, except for direct military threats, is the fact that the countries with lower level of income represent the big danger to the unity of EU than any outer threats, then there is a question of how to level them. Here we could refer to a number of integration theories and researches⁹ which unfortunately give little attention to the conditions of low competitive economies. Therefore, the theory of the "second best" gives rise to the dilemma of creation or reduction of workplaces and inflow or outflow of monetary weight in the countries with high competitive economy and energy resources.

It is obvious that for small and relatively backward EU countries in technological aspect, like Lithuania, it is improbable both in nearest, and long-term future to catch up

9 Mitrany, D. *The Functional Theory of Politics*. London: Martin Robertson, 1975; Haas, E. B. *The Uniting of Europe: Political, Social and Economic Forces 1950-57*. Ann Arbor, MI: UMI Books on Demand, 1996; Moravcsik, A. *The Choice for Europe: Social purpose and State Power from Messina to Maastricht*. Ithaca, NY: Cornell University Press, European edition with London: Routledge/UCL Press, 1998; Radelet, St. *Regional Integration and Cooperation in Sub-Saharan Africa: Are Formal Trade Agreements the Right Strategy*. Development Discussion Paper No. 592 July 1997, Copyright Steven Radelet and President and Fellows of 1997, Harvard College.

with leading economic countries. Another solution for levelling the difference of gross national product (GDP) could be regional cooperation with neighbours.

Ask a question, whether the programme „Eastern Partnership“ is capable of levelling this difference or at least capable of showing “road map” for convergence of “low competitive” economy in opened economic space?

As the basis for convergence we take adjacent territories on either side of an economic dividing line where economies are low competitive. In this context the programme “Eastern Partnership”¹⁰ as one of components of the programme “The European Neighbourhood Policy,” developed in 2004, created to avoid new dividing lines between European Economic Community and its neighbours¹¹ and its economic block “The Agreement on Association” which assumes gradual integration of the countries-partners into EU economy, i.e. creation of the profound and universal zone of free trade with each country-partner, on condition of their joining the WTO, does not reflect the problems of low competitive economies and the ways to increase national GNP and does not give guidelines towards balanced and optimal economy keeping the continuity of competition and interaction of national and non-national economy. Basically such discrepancies arise from different purposes and expectations which participants put forward on either side of “Eastern Partnership.” If the basic economic target of the countries-participants of “Eastern Partnership” is to receive investments relating them to technologies and the access of EU markets, the goals of the EU countries lies in the optimisation of manufacturing expenses and in an easy access to the markets of the above mentioned countries.

Thus, on the continuum of economic rapprochement between the two states one or another point satisfying the conditions for optimum could always be chosen or aspired to depending on the closeness or coincidence of interests of the parties. If we consider this point on a continuum from the point of view of economy “laissez-faire” and try to apply it to the relations of Lithuania and Belarus it is possible to assume that in the initial situation it will be approximately in the centre of the continuum and its moving to one or another direction will depend on the purposes and expectations of the two parties and will also be equitable in a reasonable measure to the interests of the two economies.

Thus, the first step of integration could be simply directed on expected increase of growth of volumes and diversification of trade and services as bottleneck here is the size of home market, for example, Lithuania, which does not allow optimisation of internal manufacture. Basically these are the results of insufficient volumes and weak capital investments of manufactures, in other words, small and technologically weak manufactures making basis of the Lithuanian economy are little adapted for stable competition in the EU market. Here it is necessary to bear in mind the fact that the level of efficiency of many manufactures both in Lithuania and Belarus is below compared to the developed economies and, thus, integration and capitalisation of manufactures would allow to increase the technological level considerably and to cut average expenses, i.e.

10 Commission of the European Communities, Brussels, 3.12.08, COM (2008) 823 final, Communication from the Commission to the European Parliament and the Council, Eastern Partnership {SEC(2008) 2974} [interactive]. [accessed 21-04-2010]. <http://ec.europa.eu/world/enp/index_en.htm>.

11 EC 2010 [interactive]. [accessed 21-04-2010]. <http://ec.europa.eu/world/enp/index_en.htm>.

to make these enterprises more competitive. The creation of acceptable trading union for mutual penetration into home markets of each other could become the second step of integration that will lead to the revival of labour market and following investments in the tideway of the theory of economy: increased amounts of manufacturing, transport flows, services, equipment, goods and labour. Mutual interest will be inspired not only by access to mutual common market but also on the adjacent markets. Eventually, all comprehension and speculations about equal common market result in pure efficiency and cost of manufacture and its influence both on regional and wider streams of trade. In wider sense this reasoning could be considered as a possibility of long-term steady economic growth of the Lithuanian and Belarus economies and increase of their GNP. Market integration can create also other dynamic effects which could cause structural changes of the market, for example, its shift towards the field of high technologies and consequent attraction of additional investments.

Summarising both integrational steps one could ask the question—do Lithuania and Belarus need strong regional economic policy turned to all neighbours and what could be its form?

What would happen if the territories bordering on Lithuania tomorrow become part of the European Union? How much homework preparations could help gain advantage in a competition against other strong players in future? What benefits such integration processes could give to the Lithuanian and Belarus economies? Is the political elite of both countries ready today for economic interaction, cooperation and integration both on theoretical and practical level? Whether we see as the ultimate goal of this integration only two players or whether such integration could lead to gradual realisation of the new project of “new Rzeczpospolita” of 5 states (Latvia, Lithuania, Poland, Ukraine and Belarus) which could become the fourth large player on the European stage.¹²

Similar problems are discussed and analysed in relations between EU and Russia which were described in detail by Christer Pursiainen¹³ already in 2004, and as to strategic development of economy of Lithuania in work of Edmundas Smilga.¹⁴

The presented analysis or point of view does not mean at all that we insist on necessity of integration of both states. The purpose of our analysis is to set or fix possible maximum limits of such integration.

12 Such formation of 5 states would have the population of 99 million, in comparison to 82 million in Germany and 142 million in Russia and GDP for 2009 calculated per consumer ability would total to 1185 bln. USD, in comparison with 2807 bln. USD for Germany and 2216 bln.USD for Russia. A separate question is the problem of “languid” trade between the above mentioned countries. Thus, if the total import of 5 countries in 2009 was 234 bln. USD, of this sum 49 bln. USD falling for Germany and 43 bln. USD for Russia, the trade between them directly was less than 20 bln. USD. Under these circumstances when the foreign trade balance of all 5 countries is constantly negative, it is obvious that constant outflow of finances abroad could lead these countries to economic collapse. Manarchija 2010 [interactive]. [accessed 23-06-2010]. <<http://www.manarchija.org/nrp-ru>>.

13 Pursiainen, K. *Teorii i ramki otnoshenij ES-RF* [Theories of Integration and the Limits of EU-Russia Relations]. Rosijsko-Evropeskij Centr ekonomicheskoy politiki, 2004.

14 Smilga, E. Strateginės minties integravimo galimybės Lietuvoje [Possibilities of Integration of Strategic Thinking in Lithuania]. *Politology*. 2005, 4(40).

As it was mentioned earlier widespread political stereotypes evoke rejection of any thought of integration of the two countries no matter how favourable it could be for our country. In this context any reasoning about economic and any other integration causes sharp emotional reaction and is perceived in the key of the “loss of sovereignty,” betrayal of national traditions and interests of the country.

3. Are these Fears Rational?

There are many examples of successful cooperation of the countries in the world which do not enter into the economic unions but have close relations with them, for example, Switzerland, Norway and some other non-EU countries in Europe or such units within the uniform state but belonging to different limits of the coordinated and/or uniform competitive economy (EU and the USA) where the elements of the economic systems, as for example the Peoples Republic of China and Hong Kong or countries within the central power and territorial autonomies—countries, states and federal lands are successfully combined.

Taking for the basis the gravitation theory of Tinbergen, for the countries having similar economic weight we will compare quantitative and quality indicators of the Lithuanian and Belarus economies and will define their competitiveness on world and regional scales. From the statistical data below it is visible that Lithuania and Belarus have comparable economies both in absolute sizes and per capita income.

Table 1. Compared geographical, demographic and economic parameters for Lithuania and Belarus for 2008¹⁵, composed by author

	Lithuania	Belarus	Difference (times)
Territory (thousand of sq. km)	65,3	207,6	3,2
Population (million)	3,3	9,7	2,9
GNP in 2008 (billion USD)	45,0	59,9	1,3
GNP per capita (thousand USD)	13,4	6,2	2,2
Foreign trade turnover (billion USD)	54,9	72,4	1,3

The indexes of the development of global competition for the countries surrounding Lithuania and Belarus and also of some countries of the former USSR and the former Soviet block, in 2009-2010 were the following:

15 Department of Statistics 2009 [interactive]. [accessed 20-06-2010]. <<http://www.stat.gov.lt>>; Belstat 2009 [interactive]. [accessed 12-07-2010]. <<http://belstat.gov.by/homep/en/main.html>>.

Table 2. Indexes of global competition 2009-2010 among 133 countries of the world¹⁶

Country	Place
Czech Republic	31
<i>Estonia</i>	35
Slovenia	3
Poland	46
Slovakia	47
Lithuania	53
<i>Russia</i>	63
<i>Latvia</i>	68
<i>Ukraine</i>	82

We see that from the former Soviet republics only Estonia is ahead of Lithuania, and from the countries of the former Soviet block Czech Republic, Slovenia, Poland and Slovakia.

From the countries surrounding Lithuania and Belarus—Russia takes 63, Latvia 68 and the Ukraine 82 place.

Unfortunately, Belarus is the unique country in Europe that does not give the data for an index of global competitiveness. However, comparing the countries surrounding Belarus it is possible to make the assumption that the country on the level of world competitiveness is comparable with Lithuania, Latvia and Russia.

According to the results of 2009 the economic situation in Belarus favourably differed from that in Lithuania. The fall of GDP in Belarus in 2009 was only 1,2 % in comparison with 18,5 % in Lithuania.

If Lithuania as the country with open economy was affected by the world crisis very severely, Belarus as the country with regulated economy the crisis was softer due to constant internal demand as well as to substantial volumes of investments within the framework of government programmes in housing construction (16,9 %) and agriculture.

According to many economic indicators and parameters Belarus already is the most prepared candidate for membership in EU among the CIS countries showing the highest rates of increase, having kept many features inherent for planned economy. It is this mixed particularity of its economy that makes it attractive to such countries as Lithuania where state intervention and regulation possibilities are rigidly limited by fiscal policy and, thus, the government has very limited possibilities of financial and investment interventions in the Lithuanian economy. Effective possibilities of regulation of Belarus economy in the given segment and minimisation of the decrease of life standards, i.e. internal demand, is a good precondition for the revival of national economy in 2010. Positive shifts in the Belarus economy are stated in the report “Doing Business 2010” according to which Belarus during last two years has risen from 82 to 58 place in the list of the countries rated in terms of the degree of the liberalisation of enterprise activity.

16 IMF 2010, *supra* note 10.

However, all these positive tendencies should not ignore problematic questions, for example, the place of Belarus in the international division of labour. Difficult external economic situation of Belarus could be explained by severity of world crisis and first of all by demand and price reduction for its basic articles of export such as deliveries of manufacturing industry to Russia¹⁷ and oil products to the EU. Other GDP growth limiting factors in future will certainly be higher Russian oil and gas prices as the import and export of natural resources makes considerable share of income from Belarus export. It is necessary to note the presence of state protectionism, favouring Belarus enterprises against Lithuanian companies working in Belarus.

Table 3. Foreign trade of Belarus in billion dollars/% to GNP¹⁸

	2007	2008
Export	24,3 / 53,7	33,0 / 54,8
Including energy carriers	8,3 / 18,3	12,1 / 20,1
Import	28,4 / 62,7	39,2 / 64,9
Including energy carriers	10,0 / 22,0	13,9 / 23,0

Comprehension of the fact that the breakthrough of growth of national economies in the face of the world globalisation basically it possible only at the expense of united innovations, accumulation of the human and investment capital, would allow economic link Lithuania-Belarus, employing advantages of state regulation and free market to raise self-sufficiency of the home market with goods produced in both countries and, what is more essential to reduce the income gap per capita between Lithuania, Belarus and the developed economic countries.

Undertaking such steps at institutional level would promote formation of uniform programmes of economic development of both countries on innovative basis, attraction of capital, technologies, administrative and marketing skills.

The next step in the initial phase of efficient and successful interaction of both states would become such factors as the sizes of the commodity markets of the two countries and their efficiency including common regional market of technologies, finances, investments, labour, and minimisation of prices for primary raw materials and as consequent growth of joint export possibilities.

The ultimate goal of such association should foresee the creation of such conditions which on the basis of innovations, high technologies, geographic advantages and incorporation of economy of both states in the East-West system would lead to the creation of contemporary “intelligently sophisticated” business.

17 The share of unprofitable enterprises remains still high—more than 15 %, especially in such important branches for the country as mechanical engineering, metal processing, light, food, timber, woodworking and pulp-and-paper industries.

18 IMF 2009, Source: IMF (DoTS) DG TRADE European Union: 27 members [interactive]. [accessed 22-09-2009]. <<http://www.imf.org>>.

Long-term objective should be the increase of both GDP and GNP per capita to the average level of industrially developed countries which, in our opinion, in the initial stage could be within boundaries of 20-25 000 USD.¹⁹

The implementation of this ambitious programme would allow our countries to stand on the same level with the developed countries of Eastern and Central Europe. For many years Lithuania and Belarus have been traditionally important trading partners and divide 7-9 place in foreign trade volume with each other.

Thus, Lithuania takes 9th place in trade volume of Belarus (7th in export and 13th in import volumes). Lithuania's share in the cumulative foreign trade turnover of Belarus with 27 EU countries in 2008 was about 3,8 % which made about 1,2 % of the cumulative foreign trade turnover of Belarus with the world.²⁰

The list of the Belarus' exports to Lithuania total about 500 commodity positions—60 % fall for semi-finished products, about 22 %—finished goods and about 18%—raw materials.

The basic export positions are oil products (9,4 %), rapeseed oil (5,8 %), potash fertilizers (5,6 %), oil (5,4 %), textiles, tractors, rod iron and wire, aluminium constructions, polymers, ethylene, pipes, wood products, bicycles, railway cars, etc. The basis of Lithuanian export was electricity (11,7 %), forage for cattle (6,0 %), typographical paints (5,5 %), cars (3,7 %)²¹.

Table 4. Comparative turnover of goods between Lithuania and Belarus (in mln. Litas)²²

	Export from Lithuania to BY	Import to Lithuania from BY
2007	1733,4 (4,0 %)	1220,4 (2,0 %)
2008	2495,8 (4,5 %)	1247,0 (1,7 %)

By 1 January 2009 there were more than 370 registered organisations in Belarus with participation of the capital from Lithuania, including more than 200 joint and 170 pure Lithuanian enterprises with the consolidated authorized capital of about 42 million USD.²³

The union of two countries with total population of approximately 13 million allows to talk about substantial and solid home market, considerably increasing export possibilities and that differences of our economies are not so great which means that nobody will encroach on autonomy of national elite.

19 In 2008 the GDP per capita in Lithuania on the basis of buying power was 62% from EC average and that in Belarus – 29 %. Eurostat 2009 [interactive]. [accessed 22-09-2009]. <<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>>.

20 IMF 2009, Source: IMF (DoTS) DG TRADE European Union: 27 members, *supra* note 18.

21 Delfi 2009 [interactive]. [accessed 16-12-2009]. <<http://ru.delfi.lt/>>.

22 *Lietuvos statistikos metraštis 2009* [Statistical Yearbook of Lithuania 2009] [interactive]. [accessed 17-03-2010]. <<http://www.stat.gov.lt/en/>>.

23 Deutsche Welle 2009 [interactive]. [accessed 17-09-2009]. <<http://www.dw-world.de/>>.

To consider the economic model of the union state first of all it is necessary to draw attention to the structure of both economies and define the areas for cooperation where the highest efficiency could be reached. First of all such areas could be logistics, the coordinated foreign trade policy and trade, frontier cooperation.

Logistics first of all means the use of the Klaipeda port.

The coordinated foreign trade policy and trade means realization of dot projects in third countries, first of all outside the EU, with whom we have good political relations, for example Ukraine and Georgia as well as other rich post-Soviet space countries like Kazakhstan, Turkmenistan, Azerbaijan, Uzbekistan which in 2010-2015 will undergo considerable growth of GDP. The main tasks for our states would be joining the efforts in the markets of the third countries for participation in tenders, at any stage and any form, in trading sector the creation of joint trading houses for product sales in the regional and third countries markets.

Implementation of such steps would lead to the stage of economic development when Lithuania and Belarus could turn from investment recipients to donors and try to counterbalance the GNP with GDP.

The common labour market could become an important factor for development of bilateral relations. Today about 40 000 people from the non-EU countries live in Lithuania²⁴. During rapid growth of economy up to the middle of 2008 Lithuania felt sharp shortage of labour force.

The labour force was delivered from as far as China and, unfortunately, on political grounds, Belarus was completely eliminated from the process.

4. Problems of 2010 and Prospects for 2015, or what Will Happen if Belarus Tomorrow Becomes a Member of the EU?

Thus, we return again to the issue of the efficiency of the creation of the economic union between Lithuania and Belarus. The question could be posed under different angle: how to become a genuine country of the “first world” and if not together with Belarus with whom then? It is obvious, that at the level of enterprises of any size the problems of efficiency and competitiveness could be solved only partially. To deal with the question of efficiency and competitiveness of the two countries or convergence of their economic subjects in one home market within exit through it to the Western and Eastern markets is an ambitious task which is successfully solved now in China by connecting versatile economic models operating in continental China, its free economic zones and Hong Kong. To make something similar in the centre of Europe between two countries close to each other in many parameters with the attraction of already operating 9 free economic zones in Lithuania and 6 in Belarus and the creation of high technology parks, would allow them to get on the list of the industrially-developed states of the world and would also promote strengthening of the European economic stability.

24 Eurostat 2009, Source: Eurostat (migr_st_popctz) [interactive]. [accessed 22-09-2009]. <<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>>.

Conclusions

The results of the analysis raise doubts on widespread stereotype of “restrictions” according to which it is necessary to “protect” our economy from contacts with Belarus in every possible way.

The carried out analysis proves high perspective and economic advantage of close integration of our economy with that of Belarus. The analysed data allows us to draw attention to the issue of close economic integration transforming into political one.

Efficiency growth of low competitive economy could take place as a result both from contacts with high competitive economy and from contacts with regulated economy.

Regulated economies have advantage in comparison with low competitive economies in the sense of accumulation and concentration of financial resources. It makes them attractive to EU member states.

The programme “Eastern Partnership” gives a political “carte blanche” and the theory of Gravitation of Tinbergen the economic basis for cooperation of the countries bordering with EU which is the key issue of the European safety and consolidation of the EU. This should become the main tool for increase of economic stability along the EU borders by increasing of income both in countries-partners and new EU member states.

Successful implementation of this special case of political-economical cooperation between Lithuania and Belarus could become a successful pilot project for its propagation and application for the countries-partners of the EU.

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EKONOMINĖS INTEGRACIJOS TARP LIETUVOS IR BALTARUSIJOS OPTIMIZAVIMO LAIPSNIS

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Santrauka. Šis straipsnis skirtas ekonominės integracijos tarp valstybių problemoms. Remiantis šiuolaikinių ekonominių tarpvalstybinės integracijos teorijų analizės duomenimis, buvo aprašyta sistema kriterijų, leidžiančių patikslinti optimalų integracijos lygį tarp dviejų šalių ekonomikų.

Šiame straipsnyje bandoma pasinaudoti šia kriterijų sistema, atliekant ekonominę analizę konkrečiu atveju – patikslinant ekonominės integracijos tarp Lietuvos ir Baltarusijos lygį.

Analizės rezultatai verčia abejoti plačiai paplitusiu „atsiribojimo“ stereotipu, kuriuo remiantis reikėtų stengtis „apsaugoti“ Lietuvos ekonomiką nuo kontaktų su Baltarusija. Pateikta analizė rodo tokios integracijos tarp mūsų šalies ekonomikos ir Baltarusijos perspektyvumą ir ekonominę efektyvumą. Išnagrinėti duomenys leidžia kelti klausimą apie glaudų ekonominės integracijos perėjimą į politinę. Apžvelgus abiejų šalių istoriją akivaizdu, kad tokia ekonominė ir politinė integracija egzistavo su pertraukomis keletą kartų nuo Viduramžių beveik iki XX a. pabaigos.

Remiantis tuo bei Lietuvos valstybės kūrėjų (J. Basanavičiaus, M. Romerio, J. Šaulio ir kt.) veikla ir darbais, straipsnyje nagrinėjamos istorinės politinės tokios integracijos prielaidos.

Straipsnyje nagrinėjami dvišaliai ekonominiai ryšiai ir bandoma atsakyti į klausimą, kodėl Baltarusija yra ta šalis, kurioje tokia ekonominė politinė integracija gali duoti teigiamų rezultatų bei padidinti abiejų šalių konkurencingumą integruotoje ekonominėje erdvėje. Taipogi bandoma atsakyti į klausimą, kaip subalansuoti ekonominės integracijos lygi, jei ateityje Baltarusija taps Europos Sąjungos nare.

Reikšminiai žodžiai: *Lietuva, Baltarusija, dvišaliai ekonominiai ryšiai, ekonominės integracijos prielaidos, Rytų partnerystė.*

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